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BULLISH FACTORS IN WHEAT MARKET DEPRESS PRICES

Business Keenly Interested in Price Trend of Basic Product

BIG YIELD EXPECTED

Recent Showers in West Have Added Millions to Value of This Year's Crop

Neither the excellent start made by the western grain crops nor the world grain situation are very reassuring to anyone looking for higher price levels. Yet there are converse factors both in the domestic and the foreign situation. Number one Northern cash wheat is quoted at around $1.50 today against an average for last July of $1.62. There are predictions of dollar wheat next winter, but everyone knows that much can happen between now and then. The importance of the trend of the grain markets to general business is becoming more and more recognized.

There has been a gradual readjustment of sources and markets in the world wheat situation. The United States is consuming larger quantities annually and indications are that her exportable surplus will no longer figure in the world situation by the end of this crop year. Last year Europe imported an unusually small volume of grain. Up to May in this crop year their total imports were less than 400,000,000 bushels. During the same period last year almost 510,000,000 bushels were imported. This year's total purchases are 20,000,000 below the pre-war average for the corresponding period. Britain alone consumed 40,000,000 less wheat this year than last, and consequences of the strike indicate that there will be a still smaller purchasing power available this year. At the same time the European rye crops aggregated 200,000,000 bushels more than the previous year, and these are very widely substituted for wheat when the price of the latter reaches certain levels. Thus Europe has proven more independent of North American grain than for some years and will undoubtedly become more so as the grain growing countries again reach their stride. Reports just received indicate that India's wheat crops were 320,208,000 which was smaller than was anticipated. Her exportable surplus will be almost negligible.

Turning to the North American continent, the United States has approximately 550,000,000 bushels of winter wheat against less than 400,000,000 bushels last year. Spring wheat will probably bring this total up to 800,000,000 bushels, or 130,000,000 bushels more than in 1924-25. Southern wheat is now beginning to move in large quantities and this is a leading factor in current price weakness.

In Canada the wheat outlook is exceptionally good. The exportable balance still remaining probably will not exceed 50,000,000 bushels. Since the general showers of a fortnight ago growing conditions have been very satisfactory. In the central areas the wheat is now in the shot blade and there has been remarkably little damage from hail, drouth or cutworms. The earlier start made by the crops is a fairly good assurance against early frosts. Although no accurate estimate of acreage is yet available, it is considered probable that the acreage has increased over that of 1925, and present prospects justify the anticipation of a yield equal to that of last year—459,149,200 bushels. Canada is becoming by far the most important wheat exporting country, and the conditions affecting this crop and the world markets are followed more and more carefully by business leaders.

What is the significance of all this with respect to the probable trend of wheat prices? It is not the function of this organ to predict future price trends, but merely to enumerate factors affecting such prices. Undoubtedly conditions both at home and abroad point to lower levels, at the moment. Europe is becoming more independent and America is producing more grain. At the same time it is impossible to estimate Europe's requirements in advance. A much larger quantity may be needed next year. Furthermore, it is still early in the crop year of the United States and Canada, and a large crop is by no means guaranteed. In any event, prices never move to extremely low levels until an adequate supply is actually and physically visible.

Canada's Silver Production Showed Slight Increase

Production of silver in Canada during 1925 as reported by the Dominion Bureau of Statistics shows an output of 20,228,988 fine ounces, which, at the average New York price for the year of 69.065 cents per fine ounce was valued at $13,971,150, an increase of 2.5 per cent. in quantity and 6 per cent. in value over the previous year.

Nova Scotia and Manitoba ...	$ 388
Quebec	148,451
Ontario	7,271,944
British Columbia	5,925,403
Yukon Territory	624,964
Total	$13,971,150

Our Bank Stocks Bought by Dillon Read Interests

The rise in Canadian bank stocks during the past year is being attributed in part at least to New York buying, and in this connection the United States and Foreign Securities Corporation is mentioned. Of course, the advance has been based primarily on sound and improving business conditions realized by shrewd investors generally, and the New York corporation referred to would be in a position to take advantage of this situation through association with important Canadian financial interests.

The United States and Foreign Securities Corporation was formed by the Dillon, Read Company and associated interests for the purpose of making investments in various securities without any very definite restrictions. The company is operated something after the idea of the British investment trusts, but evidently on a less conservative basis. It is understood that one of the chief purposes was to absorb the junior securities of industrial enterprises in which the Dillon, Read Company had marketed the senior securities and in which a measure of control had been secured. Coupled with these stocks like those of the Canadian banks would serve to supply a more stable element and a diversity of holdings.

Following is a summary of the recent price record of the Canadian bank stocks:

	1925 High	1925 Low	Opened 1926	Present
Commerce	229⅞	194¾	226	220½
Can. Nationale ..	168	148	170	157
Dominion	218¼	189	215¼	211
Imperial	212½	184	213¼	201
Montreal	271	240	260	270
Nova Scotia	285	262	281	290
Royal	255½	227¼	249¼	249¼
Standard	200	170	199½	194
Toronto	217½	192¾	213½	219

POLITICS

Continue the Probe
King to be Dropped?
End of Quebec Bloc
Economy as an Issue
A Woman in Politics

THERE is a strong feeling of satisfaction in business circles now that the inquiry into the administration of the customs department is to be continued. Public suspicion is strong that the big men behind smuggling, the liquor traffic and the dope traffic have been shielded. They want to see the men who pull the strings bared to public gaze. There were enough hints in the last few days of parliamentary debate, before King's resignation, to convince the discerning that the revelations untold were more serious than anything that had come out. The public wants to know the truth. Public interest demanded this further investigation, one that will have no regard for personalities or politics.

* * *

WHILE many of his friends declare that he is suffering chiefly from public misunderstanding of his motives, and from his loyalty to certain members of his cabinet, ex-Premier King has failed to hold the confidence of many of his own party. A strong under-current of political sentiment favors Hon. J. A. Robb, ex-minister of finance, to lead the Liberal party. He is a man of demonstrated character and ability. His personal inclinations are stated to be to retire from politics entirely, and incidentally to retire in disgust, but there seems little doubt that his political loyalty would induce him to accept leadership if it were offered to him.

While either Taschereau or Dunning is the natural successor to King, Dunning is not as well known in Ontario and Quebec as he will be in a year or two, and Taschereau is not known in the West. Liberals are believed to be not averse to a temporary leader for their party, while Dunning and Taschereau are being groomed and watched.

* * *

EVENTS at Ottawa revive the rumors that Mr. King is likely to give up politics soon and enter academic pursuits. That he has been offered an associate professorship of political economy, with Taussig, at Harvard, is the story that is told.

The King leadership has not been thoroughly satisfying to the Liberals, and is not likely long to continue. They have found it hard to keep kool with King.

* * *

THAT many leaders of the Liberal party are ready to spend a few years in opposition at Ottawa, in fact, hope for that, is as true as it is outwardly anomalous. Canadian Liberalism has never solidified since the war. Its scattered fragments have not

(Continued on page 11)

Dominion Textile Responds to the Political News

Prospects of more adequate protection with a change of government were responsible for a demand for Dominion Textile shares this week and the price advanced smartly. The company has been feeling the effects of foreign imports.

WOODS COMPANY HAS SUCCESSFUL FIRST HALF YEAR

Volume is Maintained at Satisfactory Levels in Six Months

ENLARGES U.S. PLANT

Production of Bags Has Increased; Volume of Cotton Manufactured Remains Steady

From Our Own Correspondent.

MONTREAL.—The Woods Manufacturing Company has more than maintained its volume of business during the six months ending June 30; this concludes the first half of the fiscal year. Many of the cotton mills in the past three months have experienced a definite slump in the demand for their products, but the Woods Manufacturing output of cotton piece goods has not felt this slump, due possibly to the fact style plays not such an important role in its cotton textile production as in the case of some of the other plants which, due to the late season, have experienced a slackening in many lines. Thus, the company's sales in these lines have continued at about 1925 level. The output of cotton textiles constitutes about 25 per cent. of the total business of the company.

The remaining 75 per cent. of the business consists in the manufacture of sacks, bagging, cotton ducks, and such textiles as burlap. In this end, the production is more than holding its own. The general activity in the building, construction and allied trades has helped to increase the demand for various working garments which the company is equipped to supply, both in the form of the raw material, and also in the finished article.

Sacks and sacking are an important part of the total production. Here, whilst the milling industry has been having a hard time and as a consequence has been purchasing fewer flour sacks, yet sugar refining, cement and other industries have increased their output. Thus, if anything has been lost on the flour swings, it has more than been made up by the other industrial and agricultural roundabouts.

Earnings Are Satisfactory

The cost of the raw materials purchased by the textiles companies varies month by month; thus quarterly or semi-annual earnings of the companies in this group present no true picture of their earning power on an annual basis. For this reason, it is usually impossible to obtain any official word about actual earnings of the textile companies until the close of the fiscal year. With the Woods Manufacturing it is generally believed though that the earnings compare satisfactorily with the first half of 1925.

A year or two ago, a United States subsidiary plant, manufacturing sleeping bags, began operations at Ogdensburg. The product from this plant has a record of many years public goodwill behind it; it proved successful in the States from the start. Of course, during the early months of its operations it was necessary to spend money on merchandising and advertising, and this at first presented a flow of revenue to the parent organization. But to-day the situation is changed and the Ogdens-

(Continued on page 13)

Selling Stock to Shareholders Good Business

A bank deposit of nearly $3,000,000 will be made by the Consumers Gas Company on the 2nd of July. This is the fruits of the recent flotation of additional shares to the shareholders at 150. The money is to be used for expanding the company's facilities to take care of the constantly increasing demand for gas for both industrial and domestic purposes.

The shareholders have appreciated the opportunity to increase their holdings. There has been some decline in the market value of the shares but it is pointed out that the yield continues approximately 1 per cent. above Dominion of Canada bonds, which it has been shown is an indication that the decline is merely in accord with the investment trend.

The attitude of the city in refusing to take up its allotment of shares or sell its rights is regarded with amusement in company and financial circles. It is appreciated that some of the aldermen are playing politics as usual. The issuing of stock on favorable terms to shareholders is not unusual and is not confined to Consumers Gas. Many big corporations follow the plan simply because it is a cheap and effective way of raising capital, and better for the company than selling by tender.

As evidence of the soundness of the company's financing, Arthur Hewitt, general manager, directs attention to the fact that even including the first million dollars, on which 10 per cent. was paid, the average cost of all the company's capital since its organization has only been about 6.2 per cent.

THOUSANDS LOOK TO "SCOTIA" INVESTMENTS FOR INCOME

Sydney and Trenton Fear Worst as Besco Totters

From Our Own Correspondent.

SYDNEY. — The utmost anxiety has prevailed here for the past three weeks as a result of the increasingly grave situation of the Dominion Iron and Steel Company.

In the first place, there are between 2,500 and 3,000 men directly dependent upon the salaries and wages they earn in the steel mills and offices; then there are the 15,000 or so dependents of these men and the business houses of the city which supply them with the necessities and luxuries of life. In a word the whole community of 22,500, from the highest to the lowest, is intimately involved.

It is realized that there must be a capital reorganization, but what is hoped is that government aid in some form will enable the mills to continue operations during the reorganization period. Many Sydney men have worked at the Soo, at various times, and remember only too well the distress that followed the shut down of the Superior Corporation in 1902. They are anxious at all costs to avoid a complete cessation, as they realize that once the mills stop work it will be next to impossible to get them going again without long delays.

Should the plant be unable to get aid and actually close, practically the whole city will be forced to follow the thousands who have already migrated to Upper Canada and across the border.

It is not only Sydney that is threatened with disaster through the financial difficulties of Dominion Iron. Trenton, a suburb of New Glasgow, where Besco owns a small steel plant and rolling mill, is also facing a crisis. Most of the residents there are workmen who own their own homes. In many cases these properties represent the savings of a lifetime. If the Trenton steel plant fails, these houses cannot even be rented when the owners abandon them to seek a living across the line.

Head of St. Lawrence Flour Holds 50 Shares

So Claims Letter to Shareholders — To Obtain Proper Representation — Ugly Rumors About Company Aired in Letter — Peculiar Situation

From Our Own Correspondent.

MONTREAL.—The statement that the ex-president and present vice-president and managing director of the St. Lawrence Flour Mills Company, T. Williamson, owns in all but fifty shares in the company is made in a letter of J. A. C. Cameron, K.C., to the shareholders. The letter is obviously the crystallization of a public opinion, which has been largely formed through the continuance of shareholders' complaints during the past few months.

Acting on behalf of some of the shareholders, Mr. Cameron has sent out proxies to all the stockholders. Those who file their proxies with Mr. Cameron, will appoint a committee of five, which will demand adequate representation upon the board of directors at the next annual meeting. The proxies will, of course, be voted as instructed by the committee.

The letter asking for proxies contains both news and other information which is of vital importance to every shareholder and which, if fully substantiated, will, no doubt, bring about a decided shake-up in the company—a shake-up which apparently would be more than welcomed by many of the shareholders.

The Ex-president's Holdings

In the letter, Mr. Cameron says that he was supplied with a certified list of shareholders of the company by the National Trust Company as at May 25, 1926. The stock holdings of the directors are shown as follows:

	Com.	Pref.
Brig.-Gen. A. E. Labelle, pres.	316	571
C. J. Fleet, K.C., director ...	124	189
Geo. W. Grier, director	250	—
Joseph Quintal, director	130	
T. Williamson, vice-pres. and managing director		50

From the foregoing it will be seen that the directors of the company own less than 10 per cent. of the total stock, but the most important point is the fact that T. Williamson, who was so lately president of the company, owns but fifty shares.

Confirming the information published in The Financial Post early this year, the letter continues:

"Last year, I am credibly informed, several offers were made for an outright purchase of the common stock of the company. None of these offers, so far as I could learn, have been communicated to the shareholders, although one of these offers, I have been told, was around $66 per share for the common stock alone."

It is generally thought that this refers to three offers which were supposed to have been made to the company. It was said at one time that the Lake of the Woods Milling Company, before purchasing the Dominion Flour Mills, entered into negotiations with the St. Lawrence Flour, and since that time it was understood that both the Western Canada Flour Mills and American interests began negotiations for its purchase. In speaking of these rumors, the present president, General A. E. Labelle, emphatically denies that any serious offers for control have been made—just what is meant by "serious offers" is not known, for large flour-milling companies are not in the habit of making "joking" offers. Furthermore, apparently there is no denial that negotiations were commenced.

Pleads Many Inaccuracies

In the meantime, the real crux of General Labelle's published answer to Mr. Cameron's letter is the fact that Mr. Cameron's statements in his letter are inaccurate. Naturally so, for none other than the directorate is in a position to tell the full story without minor inaccuracies from start to finish, but they may only be minor errors. The letter to the shareholders deals incisively with the peculiar market gyrations of the stock, when it says:

"In duty to ourselves, therefore, as holders of this stock, we must probe this matter of offers to the bottom and must organize in order to protect our interests, for there are ugly rumors in the street as to short sales on inside information, which, if true, might lead one to conclude that certain interests were endeavoring to pick up the stock at a very low price and then sell out at a big profit to themselves."

Thus there have been brought to the notice of the shareholders several matters which many who are interested in the company feel demand more than the mere passing attention of the management, and which they feel should obtain the fullest measure of interest, support and investigation by all concerned.

Opinions Differ as to "Melon" for Brazilian

In the more conservative financial circles talk of splitting the shares of Brazilian Traction or of a substantial stock dividend is regarded as premature. Nothing of the kind should be seriously considered for some years is the view of this faction and in the meantime it is felt that the present price of the stock is quite high enough considering the dividend being paid or justified by conditions now prevailing. Should improvement in business and in exchange continue it is admitted that there should be something substantially better for the shareholders in the future but not until good prospects have been turned into liquid profits to a greater extent. On the other hand advocates of an immediate "melon" say that such a course is quite justified by the company's position in relation to its prospects.

Canadians Lost Out on Gatineau Development by a Couple of Days

By a margin of only a couple of days, The Financial Post understands, a syndicate of Canadian capitalists were unable to exercise their option on the power site on the Gatineau river, which was then sold to the International Paper Company. This is the development from which the Ontario Hydro is securing 230,000 to 260,000 horse power for transmission to Toronto.

The Canadians were negotiating with Hydro and had the latter been able to complete its plans a few days earlier the development would in all probability have gone through as a Canadian enterprise with Canadian capital. The syndicate had secured an option on the power site from the Canadian Pacific Railway and then an extension while formulating its plans, but these did not come to a head before the time expired. It was then a case of the highest bidder and International Paper was in a position to pay a much higher price than others because the development can be linked up with its other developments on the same river.

While it seems unfortunate that Canadians should have lost out under these circumstances, there is no doubt but that the International Paper Company, because of its other two power developments on the river, is in an advantageous position to carry through the project. The whole undertaking will provide a greater output than muscle shoals and will rank only after the Niagara and Duke-Price developments.

Its Debentures Form Part of Many Trust Funds

INTEREST DEFERRED

Plight of Besco Emphasized by Weak Position of Once Prosperous Subsidiary

From Our Own Correspondent

MONTREAL.—At the annual meeting of Besco, Roy M. Wolvin announced that the interest on both the bond and debenture stock of the Nova Scotia Steel and Coal Company is to be postponed. This means exactly what it says—namely, that the interest payments will probably be met eventually, and that the company will not pass into the hands of the receiver.

MONTREAL. — The present position of the British Empire Steel Corporation indicates just how great is the plight of the steel plants in Nova Scotia. Especially is the trouble of Nova Scotia Steel & Coal Co. unfortunate, for in the old days the stocks and bonds of this subsidiary of Besco were regarded as gilt edged. Consequently, many trust and other funds, from which the interest provides food and shelter for both the widow and orphan, found an outlet in these securities. To-day, therefore, there will be many in the Maritimes who need these interest payments to provide many necessities of life. The fact that the great steel plants in Nova Scotia may be forced to close their doors and the employees forced to move away to obtain a living, is in itself a calamity which will cause a measure of national apprehension. But with this, there is the added plight of the bond holders who in many instances have placed perhaps the savings of a lifetime into the Nova Scotia Steel and Coal Company's securities.

Will It Be Coverdale?

Shortly, a receiver will be appointed to carry on the operations of the Dominion Iron and Steel Company; W. H. Coverdale has met with success in his operation of the Canada Steamship Lines, coupled with this he has an intimate knowledge of the operations of the corporation, for in 1925 he prepared a comprehensive report on the properties for the management. Therefore, it is thought possible that Mr. Coverdale will take over the management of the properties.

The Nova Scotia Steel and Coal Company in addition to owning the Eastern Coal Company and the Acadia Coal Company operates steel plants and owns about 25 per cent. of Besco's big iron ore holdings in Newfoundland. It operates one iron ore mine there.

The Nova Scotia Steel and Coal has a total outstanding mortgage debt of over $10,000,000 in bonds and debentures. After the debentures come the preferred shares of which there is $1,000,000 outstanding, mostly held by the public. All the $15,000,000 common shares are held by the British Empire Steel Corporation.

Protective committees have been formed in London in the interests of the bondholders of the Dominion Iron and Steel Company and of the shareholders of the Dominion Steel Corporation. It is probable that other similar committees may be formed in this country.

BALDWIN RE-ORGANIZED

Baldwin Mines are being re-organized. There has been a conflict going on within the company for some time and resulted in a change of control. The property has been closed down for a year or so. As a result of the re-organization, it is expected that work may be resumed this summer.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

First Half Year Shows Betterment
Farm Revenue Becomes Buying Power
Municipalities Are Saving Money
West Shows Largest Degree of Recovery

The long promised business improvement has been at last an actuality in many respects during the first half of 1926. In other respects it is still nothing more than promise. There is a pretty clear-cut division between the good and the bad business. Certain branches of the manufacturing industry, and lines allied therewith, are still looking for better times. Agriculture and related industries have improved tremendously. So has retail business.

Those who hold the view that Canada is destined to be largely an agricultural and trading country have much support in the first half year's business. As already pointed out in these columns, imports of manufactured goods are accumulating more rapidly than exports, this year to date, despite the apparent growth in surplus exports. The danger—and it is a real one—is that Canadian raw materials are being drained out of the country to the mills of the United States and Europe, are being manufactured there, and the products imported and paid for with the money received for the raw materials. This puts Canadian workmen to the inconvenience of moving to the United States, hence Canada's static population. Birth rate plus immigration equals emigration.

Returning to the first half-year's business, it is evident from preliminary figures that there has been a marked improvement in Canadian business. Agricultural prices have held up well and the farmers have received much more than was anticipated for many of last year's crops. It is difficult to estimate how much of the farm revenue of the country comes in during certain specific months, but it is safe to say that the bulk of last year's farm revenue becomes actual buying power during the first six months of each year. This figure amounts to $1,708,567,000 against $1,443,677,000 the year before. This is an increase of more than a quarter-billion dollars, or of approximately $30 per head for every man, woman and child in Canada.

Municipalities Saving Money

A factor in the business situation that is frequently lost sight of is the increasingly evident economic tendency on the part of civic and municipal bodies. This is seen in the lessened borrowing this year in comparison with previous years. Many of the investment banking houses have been finding it difficult to get first-grade municipals to handle this spring, because many of the municipalities are borrowing less and are cutting down their costs. Public sentiment, fanned by constantly rising tax rates, made it very clear to governing bodies that a cutting down was expected, and it has taken place on a large scale in many instances.

This saving tendency has a double effect on business. Undoubtedly it hurts some lines of trade. At the same time it releases funds for other purposes. Where actual tax reductions have been made there has been a tendency to spend more money on equipment and the like—to increase the capital outlay. This works for the general increase of production. On the other hand there are hundreds of municipalities which have not made any great show of retrenchment. There are even some which have pursued a larger program of improvement and expansion than ever before. These are in the minority. Probably the main feature of the cutting program which some have followed is the psychological factor involved. Even a small tax reduction frequently creates a frame of mind which leads to greater spending.

Generally speaking, Western Canada has more spending money at present than has any other part of the country. Ontario and Quebec are enjoying better conditions. Building in the latter province has broken all records. Unfortunately one more cloud hangs over the Maritimes as a result of the uncertainty surrounding the British Empire Steel Corporation. Even despite this retail business is well up to normal.

Canadian Business Indicators

INDUSTRIAL

Car Loadings—

	1926	1925
Week June 19	63,956	51,267+24.7%
Yr. to date	1,364,991	1,224,633+11.4%

Grain Receipts—

Aug. 1 to June 18	378,916,794	244,343,383+55 %

Building—

5 months	$58,604,178	$48,128,741+21.7%

Railway Earnings—

5 Months—	1926	1925
C. P. R.	$69,693,817	$ 61,691,172+12.9%
Oper. Exp.	58,564,234	55,477,977+ 5.5%
Net	11,129,583	6,213,195+79.1%
5 Months—		
C. N. R.	$98,685,109	$ 87,339,081+12.9%
Oper. Exp.	85,769,526	83,164,359+ 3.1%
Net	12,915,582	4,174,721+209.3

Pig Iron Output—(tons)

Apr., 1926	Mar., 1926
67,607	53,251+ 27%

FINANCIAL

Bank Clearings—

	1926	1925
May	$1,457,770,430	$1,309,598,823+11.3%

Savings Deposits—Chart. Banks—

April	$1,340,450,250	$1,263,964,473+6%

Current Loans—By Banks—

April	930,964,621	909,360,244+ 2.3%

COMMERCIAL

Balance of Trade—

12 months, April 30—	1926	1925
Exports	$1,328,743,664	$1,092,551,749+21.6%
Imports	936,099,334	795,864,047+17.6%
Balance	392,644,330	296,687,702+32.3%

Wheat, No. 1 Nor., Winnipeg—

1926	1925
June 28 $1.51	June (Av.) $1.71

Cattle—(Good, Toronto)

June 28 $8.50	June (Av.) $7.69

Hogs—(Select, Toronto)

June 28 $15.25	June (Av.) $13.07

Nova Scotia Lobster Catch Has Increased

The total catch of lobsters in Nova Scotian waters up to the first of June for the season was 7,068,700 pounds, valued at $960,000. The catch varied very much according to section of the province. In some sections there was a tremendous run of small lobsters, so small in fact that many fisherman threw great quantities of them back to the water. This is considered a very fine promise for the lobster season next and following years.

One leading lobster broker said that he considered the ten days' extension west of Halifax absolutely useless. Very few were taken, and the market was adversely influenced by the extension. From Halifax east to Red Head, Richmond County, there had been a very large increase in lobsters taken. The fishing from Red Head to Cape North, Victoria County, was good, and along the Inverness County shore the fishing was very good. Cables received from England stated the market was quiet owing to the industrial disturbance in that country.

Steel and Iron Markets Had Quiet Half-Year

Faced with a conservative buying policy on the part of users, a sluggish market, and domestic and international complications not conducive to stability, sellers in the Canadian iron and steel markets steered a somewhat difficult course through the first six months of 1926, says Canadian Machinery and Manufacturing News. That they were successful in obtaining a substantial amount of business is a tribute to their salesmanship, for probably never before was American and European competition in the Canadian market so persistent.

The level of iron and steel prices did not rise in the early weeks of 1926, as was indicated by conditions toward the close of 1925; in fact, to the surprise of many observers the level did not gain any ground during the entire six months, although its movements were logical in view of conditions.

Markets were considerably stimulated throughout the period by the release of large orders by Canadian railroads, some business indeed being secured by a Hamilton firm from an American railroad. Pulp and paper expansion continued and power developments consumed large tonnages of steel. Construction activities, notably that of the aluminum development at Arvida, Que., contributed in considerable degree to the large tonnage of business the markets were able to secure.

Building Program is Largest in Decade

Canada seems destined to have the largest building year in more than a decade, judging from the first half-year's figures. According to MacLean Building Reports new construction during the six months amounted to the huge total of $194,543,600 which is 54.9 per cent. ahead of the same time last year. Contemplated new work totalling $304,598,500 is expected for the second half-year.

During June construction contracts awarded amounted to $54,186,400, an increase of 63 per cent. over June last year. Industrial projects, principally in Quebec, led all others and totalled $20,589,100, or 38 per cent. of all construction. Quebec exceeded all the provinces during the month, having 56 per cent. of all new construction, amounting to $30,641,600. Quebec now leads Ontario by a wide margin in contracts awarded during the first half of the year. By classes the construction program is better balanced than for some years.

Car Loadings Are Up Nearly 12 Per Cent.

Car loadings still show a decided upward trend. For the week ended June 19, the total for Canada was 63,956 cars against 51,267 for the corresponding month of last year. The increase was due largely to grain and coal shipments. There were increases also in the case of lumber, pulp and other forest products and merchandise. Eastern Canada was chiefly responsible for the increase over the previous week. In fact, western shipments showed a slight falling off.

Cumulative totals for the year to date are 1,364,991 against 1,224,633 cars last year. This is an increase of almost 12 per cent.

Canada Leads World in Wheat Yield Per Acre

According to a bulletin just issued by the International Institute of Agriculture, Canada's wheat crops for the past five years have averaged over two bushels an acre more than those of the United States. The Dominion's world record of production has averaged 15.5 bushels per acre since 1920, while that of the United States has averaged 13.3.

The five-year average for the other principal wheat growing countries is: Argentina, 13.3 bushels; British India, 11.9, and Australia, 11.7.

In 1925, says the bulletin, Canada's average for all wheat was 19.2 bushels an acre, while that of the United States was but 12.9. While the Dominion ranked third in the area sown to wheat last year, it was second only to the United States in production.

The bulletin predicts that within ten years, with the settlement of the Dominion's vast western agricultural lands, Canada's wheat production will reach a billion bushels annually.

Hudson's Bay Co. at Work on Immigration Scheme

VICTORIA.—The Hudson's Bay Co. is gathering material on which to work out its immigration and settlement policy, it became known here with the arrival of J. McWhirter, of the company's London, England, office, to confer with E. H. Wilson, land commissioner of the company.

McWhirter explains that the vast possibilities of bringing out settlers from the crowded parts of the British Isles and settling them on the idle lands of Canada were under consideration. He said his present trip was for the purpose of gathering information.

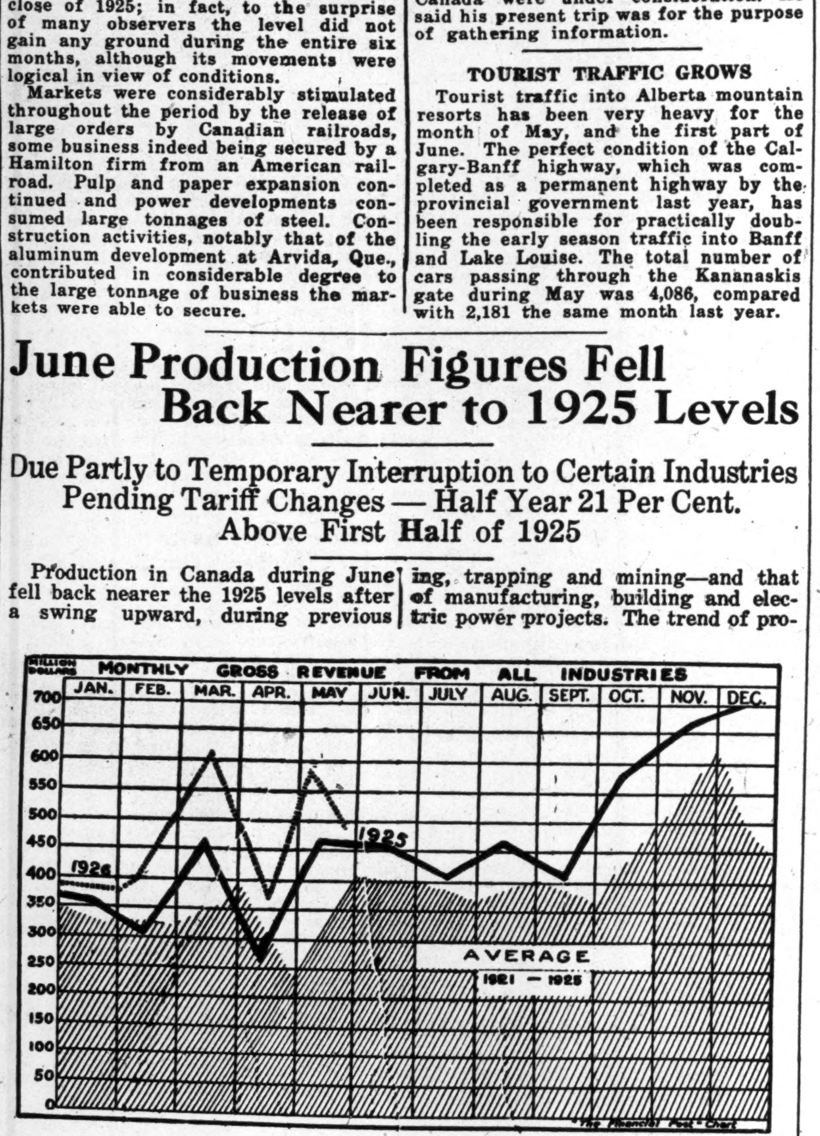
TOURIST TRAFFIC GROWS

Tourist traffic into Alberta mountain resorts has been very heavy for the month of May, and the first part of June. The perfect condition of the Calgary-Banff highway, which was completed as a permanent highway by the provincial government last year, has been responsible for practically doubling the early season traffic into Banff and Lake Louise. The total number of cars passing through the Kananaskis gate during May was 4,086, compared with 2,181 the same month last year.

June Production Figures Fell Back Nearer to 1925 Levels

Due Partly to Temporary Interruption to Certain Industries Pending Tariff Changes — Half Year 21 Per Cent. Above First Half of 1925

Production in Canada during June fell back nearer the 1925 levels after a swing upward, during previous months, to much higher levels than those established in 1925. The total revenue from all branches, according to statistics compiled by The Financial Post, was $482,101,000 against a slightly smaller figure of $468,027,600 for June of last year, an advance of but three per cent. The reduction in the advance over last year made in previous months is attributed partly to the slowing up of certain industries pending tariff adjustments, and partly to a lessening of activity, especially in the steel industry. The figures are based on the output of the primary industries—agriculture, forestry, fishing, trapping and mining—and that of manufacturing, building and electric power projects. The trend of production is normally lower during the summer months.



Revenue figures for the first half of the year total $2,820,664,000 against $2,330,138,000 for the first half of last year, which is an increase of 21 per cent. Figures by months follow:

	1925	1926
January	$351,020,700	$363,562,500
February	312,018,400	406,872,120
March	468,027,600	626,549,260
April	273,016,100	361,469,204
May	468,027,600	580,110,651
June	468,027,600	482,101,093
	$2,340,138,000	$2,820,664,828

Canada's Foreign Trade Quarter That of States

Although Canada's population is scarcely more than one-thirteenth that of the United States, Canadian exports for May are more than one-quarter those of the States. The figures are $91,353,423 and $348,078,000, foreign exports excluded in both cases. On the other hand, imports compare in almost the same ratio, Canada's figures being slightly more than one-quarter. Imports for May were $86,052,253 and $321,029,000.

MARKET FOR HONEY

Canadian honey is rapidly making a name for itself abroad, and its high qualities are ensuring it a permanent market in Europe especially. Curiously enough, the small country of Holland has recently become the chief purchaser of Canadian honey, and Germany next. The export figures for the eleven months ending February, 1926, are: Netherlands, 640,000 pounds; Germany, 455,000 pounds; United Kingdom, 317,000 pounds; United States, 55,000 pounds; Denmark, 14,000 pounds; all others, 26,000 pounds.

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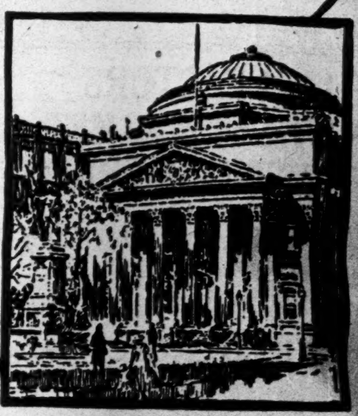

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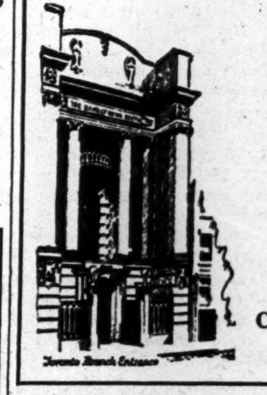
In New Brunswick—



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Industrial Wastes Due Largely to Management

So Finds Committee of Engineers Appointed by Herbert Hoover in 1921 — Much of It Can be Eliminated

Who is to blame for the large amount of waste in industry? Herbert Hoover, secretary of the United States Department of Commerce, appointed a committee of seventeen engineers, in 1921, to study the causes of waste in industry. Since that time industrial leaders in the United States have followed the report made, with the result, it is stated, that millions of dollars have been saved. It was found in the investigation that at least 50 per cent. of the causes of all industrial wastes are attributable to management, approximately 25 to labor, and 25 per cent. are beyond the control of employer or employees.

The investigation brought out many alarming cases of negligence. A large automobile manufacturing concern found, after changing the model of its car, that there remained in stock 750,000 nuts and bolts to match, which could not be used on the new model. When one considers the fact that the former model required only two of this particular size and type of bolt, the wastefulness of the purchasing policy is readily apparent.

In another concern, out of the total of thirty-four operations necessary in machining and grinding the camshaft, eighteen necessitated the retracing and doubling back of the progress of the work with the resultant loss of time and misplaced materials.

The examples cited are actual cases of avoidable losses and wastes for which management must take the entire blame. While it is true that wastes cannot be effectively and permanently reduced without the co-operation of labor, the fact remains that what is first needed is a careful scrutiny by management of methods of administration. Applied to the individual company, this means the making of a careful, itemized survey of the causes of waste.

The suggested outline of questions below, compiled by the Executives Service Bulletin, is based primarily on the methods used by the Hoover Committee. There is no doubt that any company that will take the time to check itself up along the lines indicated by the questions, will be richly repaid for its efforts. The list of questions is by no means exhaustive, but nevertheless is indicative of the lines which a waste survey should follow.

Production

1. Are buildings suitable for the work being done?
2. Is the fire protection equipment sufficient to obtain low insurance rates?
3. Is maintenance work carried on in a systematic way or is equipment allowed to run down to a point where emergency repairs, with resulting high costs and delays in production, are necessary?
4. Are orders routed and scheduled in a systematic manner?
5. Is quality of work sacrificed for quantity?
6. Does an adequate control exist over the use of various non-productive or indirect materials?
7. What has been done toward standardizing and simplifying the product?

Sales

1. Are salesmen allowed to dictate production policies with a consequent disarrangement of production plans and increased production costs?
2. Is there the right spirit of co-operation between the field force and the home office?
3. Does the method of compensating salesmen assure their best efforts?
4. Are the salesmen carefully selected and really trained in the use and selling points of the product?
5. How much careful thought is given to the selection of advertising mediums?
6. Is the service policy what it should be?
7. Are advertising and sales budgets prepared?

Industrial Relations

1. How carefully are employees selected?
2. Is the rate of labor turnover higher than it should be?
3. Is an analysis of causes of leaving maintained?
4. Do new employees receive systematic instruction and training regarding their work or are they expected to pick up information about their duties from fellow workers?
5. Is sufficient attention given to working conditions from the standpoint of health and safety?
6. What is the cost per year chargeable to avoidable accidents?
7. Are discharge methods fair or are they such as to create unrest and a poor reputation for the company among labor?

Finance and Accounting

1. Are monthly balance sheets and profit and loss statements prepared?
2. Are costs by departments and classes of product known?
3. Is there a budget plan in use?
4. Is working capital kept at a sufficient amount so that advantage may be taken of cash discounts?
5. Are all records which are kept actually used or are many useless statistics accumulated?
6. Is careful judgment used in extending credit?
7. Is there a systematic plan for following up and pressing collections?

Purchasing

1. Is due regard given to present and future market and business conditions in placing purchase orders?
2. Is investment in inventories kept at the very lowest practicable amount?
3. Is there an adequate and practicable material control system in operation?
4. Are old style stocks used before new styles are issued?
5. Does the purchasing department speculate in materials?
6. Is advantage taken of quantity discounts?
7. Are all incoming materials carefully checked for quality and quantity before the vendors' invoices are passed for payment?

Organization and Management

1. Are there organization charts and procedure write-ups?
2. Are there understudies to the principal executives?
3. Does proper co-operation exist between all the divisions of the business?
4. Are attempts made to obtain executives at a low scale of salaries, resulting in false economy?
5. Are the principles of standardization and simplification applied wherever possible?
6. Are employees and junior executives encouraged to take a real interest in the business and to offer suggestions for improvement in methods?
7. Are lines of authority and responsibility clearly and carefully defined?

Resumption of Gold Payments Does Not Endanger Reserves

Price Levels Have Already Been Adjusted to Gold Parity — Ample Reserve Exists for Any Emergency

The return to the gold basis July 1 provided for by legislation recently enacted at Ottawa makes no material change in the situation that has existed for some time. For all practical purposes Canada has been on a gold basis for many months. Since about 1922 our wholesale prices have been deflated to a level which more or less equalizes them with gold parity. In other words, the resumption of gold payments does not necessitate a readjustment of price levels as was the case in Great Britain. Business will not be affected.

Fears that the resumption of gold payments may involve any serious loss of gold are unfounded. A short time ago the total issue of Dominion notes amounted to about $212,000,000. Of this $46,000,000 was held in the central gold reserve. About $30,000,000 was in small denominations and in constant circulation. No large proportion of these would be presented for redemption. Then $100,000,000 is for bank reserves. This total of $176,000,000 is the minimum to which the Dominion notes could be reduced. The balance of less than $40,000,000 is the only portion of the total that would, in any eventuality, be presented for redemption, and that only in the event of a disastrous decline in business. At the date referred to the government held gold to the extent of nearly $120,000,000, which is more than sufficient to meet any unforeseen emergency.

Confidence Will be Restored

An outstanding advantage of the restoration of the gold basis in Canada is the accompanying psychological effect. Canada needs foreign capital and immigrants. Certain Canadian investments have received a "black eye" in Great Britain and elsewhere, and the flow of capital has been interfered with. Anything that will help to restore this normal flow will be of value. Furthermore there has been a certain hesitancy on the part of investors in some countries, in investing abroad. By resumption of gold payments Canada builds up a wall of confidence which will do much to induce a resumption of the capital flow.

The relation between the volume of Dominion notes outstanding and the volume of specie reserve standing against it, is shown below, with the average yearly quotations of the Canadian dollar in New York. The eminently sound financial position occupied by Canada is shown therein:

	Dominion Notes	Specie Reserves
	(In millions of dollars)	
1914	114,000,000	92,000,000
1915	152,000,000	89,000,000
1916	175,000,000	114,000,000
1917	178,000,000	119,000,000
1918	281,000,000	114,000,000
1919	300,000,000	118,000,000
1920	292,000,000	95,000,000
1921	268,000,000	83,000,000
1922	232,000,000	85,000,000
1923	234,000,000	121,000,000
1924	210,000,000	96,000,000
1925	208,000,000	116,000,000

While it is difficult to trace any definite relationship between the position of foreign trade and the exchange rates over a period of years, the two are set down for purposes of comparison. While trade reached a low point in 1921 due to the depression, the average of exchange rates reached a low in 1920. From that time there has been a parallel movement between the two:

	Trade Balance ($000,000)	Aver. Exch'ge Rates
1914	163.8	....
1915	5.5	....
1916	271.1	99.6
1917	332.8	99.6
1918	622.6	98.0
1919	349.0	95.8
1920	222.1	87.5
1921	29.7x	88.5
1922	6.1	97.8
1923	142.7	97.6
1924	165.4	97.7
1925	284.4	99.6
1926	401.1	....

Coke Ovens in East Would Help Seasonal Employment

At the annual meeting of the Nova Scotia Division of the Canadian Mining Association the president read an address, stressing the necessity of protection to the steel and coal industries, emphasizing the importance of building coke ovens to use up the slack coal which would save the coal industry from lapsing into a seasonal occupation, by giving employment during the winter.

INCREASE IN OUR FUR HARVEST

MONTREAL.—Exports of furs from Canada during the twelve months ending April, 1926, were valued at $17,540,459, a slight decrease from the figures of the corresponding period in the previous year, according to official government figures. The United Kingdom and the United States continued to take practically all exports of Canadian furs during the period under review, the former country purchasing furs to the value of $6,609,728 and the latter to the extent of $10,569,147.

MARITIME LEAGUE SPONSORED IN N.S.

Does McCurdy Now Control Two Halifax Papers?

From Our Own Correspondent.

MONTREAL. — The feeling that Nova Scotia is being sacrificed on the altar of confederation seems to be growing in that province and the crystallization of public opinion is seen in many forms. For instance, the Kentville Advertiser, a paper of conservative tradition with present independent views, serving one of the more important territories in Nova Scotia, points out in a leading editorial that a League has been formed for the purpost of furthering the rights of the province. The three chief aims of this League are as follows:

Nova Scotia must control its own customs and excise.

She must have supreme control of her trade agreements and relations.

She must have control of her fisheries.

The Advertiser points out that every Nova Scotian will be invited to join this league and to share in bringing a new era to the province and that its members are unswerving in their loyalty to the Crown and to the Empire and in their desire to live in commercial and political peace with the sister provinces of Canada—they are not secessionists nor annexationists—they are Nova Scotians who desire to devote their time to bringing about a new set of economic conditions for their province.

It is understood that F. B. McCurdy has assumed control of the Morning Chronicle and Evening Echo in Halifax. Although Mr. McCurdy is a Conservative, it is assumed that his control of the editorial policy means that in future the papers will strongly sponsor such views as have been set forth by the Advertiser. This means that all papers in the chief city of Nova Scotia will be unremitting in their efforts in making the case for improved conditions in the Maritimes.

MORE TREES FOR THE PRAIRIES

SASKATOON.—The Dominion forestry farm here has been particularly busy during the past month in shipping young trees destined to become pleasant groves of shelter in nearly 3,000 places in the Prairie Provinces. Up to the fall of 1923 the Sutherland station had shipped, since its inception, over 17,000,000 trees. For 1924 the total was well over 2,000,000, while in 1925 it was about the same number. This year 3,355,000 were shipped.

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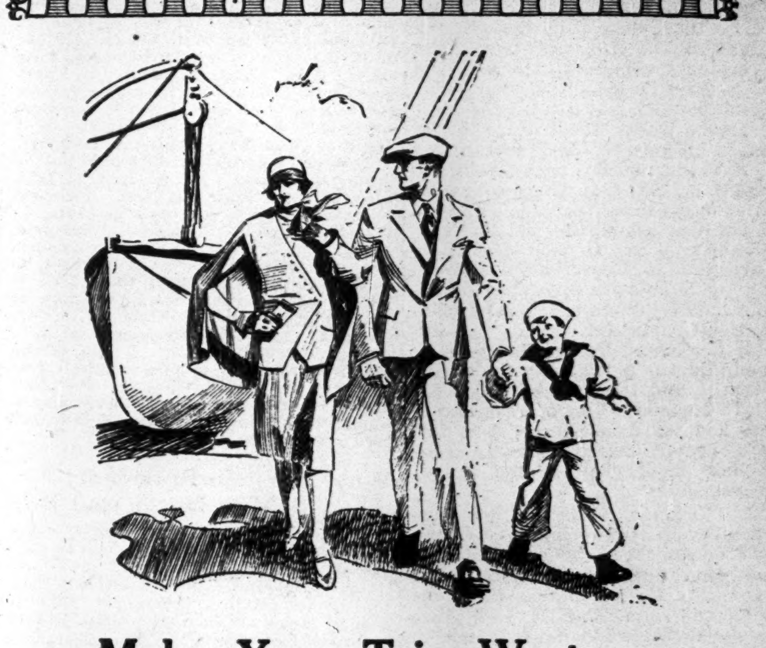

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TORONTO 2

The Securities Markets

GENERAL DRIFT OF THE MARKET TO LOWER LEVELS

Buying of Steel and Textile Shares on Ottawa News

MARKET INDICATOR

20 Industrial Stocks

	High	Low
Week of June 29	94.4	91.9
Week of June 23	93.9	92.2
Mth. of June, 1925	78.8	73.4

9 Bank Stocks

	High	Low
Week of June 29	$224	$223
Week of June 23	224	222
Mth. of June, 1925	207	205

10 Public Utilties

	High	Low
Week of June 29	94	92
Week of June 23	94	92
Mth. of June, 1925	90	86

Aside from some buying of steel and textile stocks on the strength of the developments at Ottawa, following the defeat of a government recognized as opposed to tariff protection as a policy, the Canadian stock markets have recently shown a tendency to drift to lower levels. Interest of a moderate character has developed spasmodically in some of the more speculative favorites but generally there has been a disposition to let things move along in the usual mid-summer fashion. The bulk of the price changes have been to lower levels as indicated by the following summary:

	Gains	Loss	Unch.	Total
Banks	3	5	1	9
Paper	3	5	9	17
Steel	4	11	12	27
Foodstuffs	9	12	14	35
Utilities	4	11	11	26
Tractions	3	5	6	14
Textiles	10	18	32	60
Totals	36	67	85	188

As to the upheaval at Ottawa, the attitude of the investing public and the business community is that any change from the condition of political stalemate which has existed for some time must be for the better. There is more interest in the establishment of a government with sufficient strength to carry on the business of the country than there is in what the political complexion of that government may be. Of course, it is accepted that a Conservative government would be more favorable to Canadian industry than a Liberal administration—particularly when the latter is dominated by the Progressives—and this was indicated in the buying of textile and steel stocks which followed Premier King's resignation. Steel and textile concerns, it is felt, would benefit directly from a more adequate application of the protective principle.

The business situation continues without important change. Conditions appear sound, without the overproduction reported in some industries in the United States. However, the recent liquidation in New York has no doubt had some influence on the Canadian markets. The next important development in the Canadian situation has to do with the crop, and news continues generally favorable in that connection. In Western Canada belated warm weather seems to have finally arrived and, as this has followed a period of more or less general rains, rapid growth is being reported. If the crop is average to good, buying power should be sustained and business should continue to prosper moderately, as it has in recent months. It is a question, however, if stock market values have not already discounted a continuation of such conditions.

An advance in Steel of Canada is taken as indicative of the influence of the political developments on the steel group. Ontario Steel also developed strength. In the textile section Dominion Textile was the leader. In the paper group, Abitibi, was an exception in moving forward on renewed reports of better things in the way of dividends. Canadian Salt made a strong rally in the food group, but the majority of stocks were without important change; B. C. Fishing was easier. Utilities generally were easier after recent strength; Montreal Trams was strong in the traction section.

Ames, Holden Liquidator Says Nothing for Shares

From Our Own Correspondent.

MONTREAL.—Shortly a report from Gordon W. Scott, liquidator of Ames, Holden, McCready, Limited, will go forward to the creditors of the company. The report says that insufficient sums have been realized to meet the full claims of the bondholders and thus there will be nothing available to meet the claims of the unsecured creditors, including, of course, the preferred and common shareholders.

The company has outstanding $2,023,660 in 6 per cent. bonds. The trustees for the bondholders have on hand cash and accounts receivable to the extent of $928,273. Probably a dividend will shortly be disbursed. Dealing with the amounts which will be realized from the sale of the remaining assets, the report says:

"While it is not possible to estimate with any accuracy the realizable value of the properties not yet disposed of, it is safe to say that when sold the proceeds to be received will not be sufficient to satisfy the balance of the mortgage securing the bonds of the company."

At the present time then, under 50 per cent. of the bondholders, claims have been realized through the liquidation of the company.

Rogers Common Comes Into Sudden Demand

The sharp advance in Wm. A. Rogers common this week is taken as a reflection of the improvement which has been taking place in the affairs of that company. There are still in arrears 3½ per cent. on the company's preferred shares but it is anticipated that these will be wiped out soon, leaving the way open for a distribution on the common.

Since the organization of the company in 1901 there have been only three years in which dividend payments were made on the common, though from that year down to 1917, inclusive, cash payments of various amounts were paid each twelve months to the holders of the common stock. In 1910 a dividend of 25 per cent. was paid to holders of the common, in 1911 one of 20 per cent. and in 1912 one of 10 per cent. The cash payments have ranged from 1½ to 12 per cent. Every year from 1901 to 1907, inclusive, with the exception of 1909, when 8 per cent. was paid, an annual distribution of 7 per cent. was made upon the preferred. in 1918-19 no dividends were paid on the preferred. These were resumed in 1920, when 12¼ per cent. was paid, which was followed with 8¾ per cent. in 1921. In 1922-23, the regular 7 per cent. was paid, and in 1924 10½ per cent. There are still two quarterly payments of arrears to be met, and it is hoped by those close to the management that something may be done to get these out of the way before a great while. The company is in a strong financial position. Trade during the first couple of months of the calendar year was on an expansive scale, but during March and April there was a slump, which since the first of May has been retrieved to some extent.

Why Hamilton Provident Sold to Huron and Erie

The Hamilton Spectator objects to the statement of The Financial Post, in connection with the purchase of the Hamilton Provident by the Huron and Erie, that "the smaller companies find it hard to make satisfactory profits under" conditions prevailing. The Spectator seems to think this a reflection on the very strong, old Hamilton company. However, we would suggest that the Spectator consult the statement of the Hamilton Provident directors in connection with their decision to sell. We quote:

"Competition also is making it very difficult for many of the smaller companies with relatively high overhead costs to make a margin of profit that might otherwise be expected."

HORACE PERODEAU ELECTED

MONTREAL.—Announcement has been made of the election of Horace Perodeau as a member of the Montreal Stock Exchange. Mr. Perodeau, who is a son of Hon. Narcisse Perodeau, Lieutenant-Governor of the Province of Quebec, will become a partner in the firm of Geoffrion and Co. and will represent them on the floor of the exchange.

Mr. Perodeau was formerly connected with the firm of McDougall and Cowans. He is at present in Europe, but is expected to return to Montreal shortly to assume his new office.

BRANTFORD CORDAGE

Orders on the books of the Brantford Cordage Company are much in excess of any previous period of the company's history. Plants are working overtime.

No Compromise in Security Values
DEMAND STERLING REPORTS
CERTIFIED•REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Company Limited
9-11 E. Wellington St. Toronto

Gotfredson Made Dividend In Year's First Five Months

At a meeting of the directors of the Gotfredson Corporation, Ltd., held at the head offices of the company, Walkerville, the usual quarterly dividend of 37½ cents a share was declared to all shareholders on record at June 30, payable July 15, 1926.

The earnings for the first five months are sufficient to take care of this year's dividends. The unfilled orders insure full time production.

ANOTHER PONZI COMES TO GRIEF

Disappears From Ottawa With the Funds of Get-Rich-Quick Speculators

OTTAWA.—With police closely investigating his business and the accidental arrival in town of a victim of a former business in which he was engaged, A. W. Steele, president of A. W. Steele and Company, stock brokers, 602-3-4 Banque Nationale Building, the Plaza, has left Ottawa, and police claim over $15,000 of money invested by Ottawa people in listed stocks has gone with him. Steele was traced as far as Montreal, where he registered at the Windsor Hotel.

In Ottawa, in one of the most centrally located office buildings, he has left behind him a luxuriously appointed suite of rooms, staffed by seven high-pressure stock salesmen and office clerks, and equipped with eight telephones.

Steele came to Ottawa about the end of last December, and lived in high style at the Chateau Laurier. He opened his suite of offices in the Banque Nationale Building on May 1, and, according to information given to the police, had done a lively business.

It was Steele's system to circularize local people with mimeographed letters, several of which are now in the hands of the local detectives. These letters reminded possible clients that millionaires are made over night on the New York Stock Exchange and offered to trade for any person on terms of 10 per cent. of stock value cash, and the balance in monthly payments. It is claimed by the police that Steele also declared he was a member of the Montreal Stock Exchange. He always sold and bought listed legitimate stocks for his clients, but the theory of the investigators is that he never forwarded purchase money to the exchanges.

Police allege that Steele was not listed as a legitimate broker on any stock exchange. Steele is believed to have been frightened away by the unexpected arrival in Ottawa of J. Bernard Pundt, who formerly resided in Nelson, B.C., and who knew "Steele."

Pundt, at detective headquarters, informed the local officers that Steele, under the name of John Walton, operated a stock brokerage office in Nelson, B.C., employing a staff of 16 agents and having a number of telephones among his stock-in-trade. Pundt alleges that he was engaged as one of "Walton's" agents, and that he actually invested in stocks himself, through the "broker." Suddenly, Pundt told the police, "Walton" left Nelson.

Tooke Brothers Expected To Show Better Results

From Our Own Correspondent.

MONTREAL.—It is understood that Tooke Brothers, Limited, whose fiscal year ended May 31 last, enjoyed an encouraging increase in sales, demand from the West having shown considerable growth. The amount earned on the preferred stock a year ago was $49,945, equal to 5.07 per cent. on the $985,000 outstanding. Better results are expected this year. Net working capital a year ago was $905,264. Arrears on the stock as of March 31 last, were 29¾ per cent., and the stock sold last at 57.

Winnipeg Electric Co. Announces 1% Dividend

From Our Own Correspondent.

MONTREAL.—The Winnipeg Electric Company has announced another half yearly interim dividend of one per cent., but the announcement has had no effect on the market for the stock which appears to be in the doldrums. In speaking of the outlook for the company, McCuaig Brothers and Company in their market letter are optimistic and declare:

"Net earnings for the four months ended April 30 show an increase of over $75,000 as compared with the same period of the previous year. If the same rate of increase is maintained during the remaining eight months, and prospects appear favorable, earnings applicable to the common stock will be about $250,000 higher than in 1925. Winnipeg Electric's future is bound up with that of the Canadian West and, in consequence, its statements from now on are likely to reflect to an increasing extent the improvement in general conditions which set in earlier in the year. In the opinion of competent authorities such betterment in the situation there as has already been witnessed, represents only the beginning of a period of prosperity and rapid development with, however, an infinitely sounder basis than the one that was brought to an end by the war. One feature that must not be lost sight of in connection with Winnipeg is that, while earnings so far have shown a rather moderate rate of increase, it has the facilities for handling a much greater volume of business in all departments without any material increase in operating costs. Consequently, net earnings are likely to show a rate of increase out of all proportion to the volume of new business."

Britain Takes Bulk of Increase in Our Exports

The 22 per cent. rise in the volume of Canadian exports for the twelve months ending May is made up principally of a $113,477,221 increase in shipments to Great Britain, a $47,109,122 rise in exports to the States, and increases of $15,000,000 in exports to Japan, $7,000,000 in shipments to Germany and also to the Netherlands. Last year's total for the year was $1,310,446,958 and that of the previous year, $1,072,301,848. Imports increased by $146,556,806, from $799,700,249 to $946,257,055.

As was to be expected, agricultural products were responsible for the largest part of the gain in exports, having increased by more than $160,000,000. Wheat alone accounted for $135,000,000 increase. Animal products were up $23,000,000, wood and paper products by $25,000,000 and iron and its products by $18,000,000. The largest item in the increase in imports was iron and its products which showed a gain of $54,000,000. Farm products imported increased $32,000,000 and textile products, $17,000,000.

Outlook for Asbestos Remains Unchanged; to Acquire Property?

Beaudry Leman Added to Board — Corporation Apparently Unsuccessful in Arriving at Some Proper Understanding With Competitor — Peculiar Situation

From Our Own Correspondent.

MONTREAL—One company is still selling asbestos in competition with the new Asbestos Corporation. At the time the merger was consummated, it was understood that this competing organization had aligned itself with the corporation for the sale of its asbestos—that is, its surplus asbestos, which was not used for further manufacture. But some hitch has occurred which prevents a proper co-operation and understanding between the two organizations.

There has been talk here of the appointment of a board of arbitration, consisting of three members, one appointed by each of the two asbestos operators and a third appointed by the two arbitrators. But interests close to the Asbestos Corporation deny the rumor.

The one saving feature of the situation is the fact that the two competitors have the same end in view, namely, the maintenance of prices at a level which will bring satisfactory profits. In view of this situation, investors may ask why the two cannot be brought together. This is answered only by gossip—no official information is obtainable from the officers of the company—which indicates that the manufacturing firm which mines its asbestos in Quebec, is a hard organization with which to deal. But this is only one side of the story; there is probably another.

There is another difficulty which faces the corporation in the death of A. S. Johnson, who was owner of the Johnson Mine. When price-cutting became too keen in the industry, Mr. Johnson simply closed his mine and, at the time of the merger, his property played no part in the transaction. Now, however, the mine has passed into new hands and might perhaps become a competitor of the corporation. Thus, the Asbestos Corporation may have to acquire this additional property, without any corresponding increase in its earnings. This might mean the issuance of further bonds, which would rank ahead of present stock issues and would reduce the amount of income applicable to the preferred and common shares.

Had the corporation reached a proper understanding with the United States operators, the taking over of one additional property would have meant but little in the way of decreased earnings, for possibly prices could have been increased correspondingly but, coming as it does on top of the present lack of co-operation, the possible competition from a third source is not a thought of the most pleasant kind for the shareholders.

The board of the Asbestos Corporation will meet next week and Beaudry Leman, general manager of La Banque Canadienne Nationale and a director of the Shawinigan Water and Power Company, will be elected to the board.

RUSSIAN PRODUCTION OF WHEAT EXPANDING

Huge Potential Producer Cannot be Left Out of World Supply Calculations

Dealing with the balance between supply and demand in the world wheat markets, the current letter of the Royal Bank of Canada, after pointing out the growth of demand for wheat in the Far East, says:

In contrast with this favorable news concerning increasing demand one must also note a tendency toward increased production. An average world production of 3,500 million bushels in the years 1920-24 must be campared with the 3,700 million bushel average in the years 1900-1913. Apparently this comparison is quite favorable but in these figures Russia is credited with an average pre-war production of 760 million bushels. The southern hemisphere shows a 100 million bushel increase, most of which comes from the Argentine; the United States and Canada each show a 150-million bushel increase and production in Europe—ex Russia, has increased by 200 million bushels. Yet the actual production in Russia shows an interesting trend, 1921—205 million bushels, 1922—242 million bushels, 1923—330 million bushels, 1924—331 million bushels. These figures together with the news concerning the introduction of modern agricultural machinery seem to indicate that it will not be long before Russia attains pre-war production levels. For some time to come there will be a question as to what proportion of the Russian crop can be exported. It seems quite evident that the peasant will consume a larger proportion of the crop than he was permitted to consume under the old regime. How much this may mean in relation to wheat consumption remains to be seen.

The balance of demand and supply in wheat is something that is very nicely adjusted and no such important factors as the possibilities of Russia and Siberia must be left out of the picture, but there seems to be an almost equally great possibility that demand in Russia and in the Far East may keep abreast of increased production in the quarters mentioned. If this is true, no great oversupply is to be looked for, except in those years when large crops are harvested throughout the world.

"Blue Sky Laws Unnecessary for Protection of Investors"

Hon. Wm. Sloan, minister of mines, British Columbia, is not a believer in the necessity for blue sky laws to protect investors. He says existing legislation in B. C. amply protects. The mines minister made it clear that he was not in favor of blue-sky legislation and sympathized with the objections voiced by Washington state interests against any enactment along that line.

"Under the system of blue sky legislation, as enacted in some of the states," Mr. Sloan remarked, "it is assumed that all those interested in the promotion of the industry are dishonest and untrustworthy; that their main effort is to defraud the public. In British Columbia we assume that those interested in the industry and seeking to develop their properties are honest and are desirous of giving the investment public a fair run for their money.

"When we find that this assumption is not a correct one, then we have power under our 'Mineral Survey and Development Act,' and we have already exercised it and will continue to do so when we think the occasion warrants it, to advertise the fact as investigations by our government mining engineers disclose, thereby giving the investing public full information of those projects the promoters of which are seeking to victimize investors. This system has worked admirably in the interests of the industry and of the investing public."

INVEST IN A GROWING INDUSTRY
St. Lawrence Paper Mills Limited
6½%
Ten Year Debentures
Assets securing this issue amount to over $256 for each hundred dollar debenture.
Earnings of the Company before depreciation and Federal taxes are at the rate of 4.6 times debenture interest requirements.
Upon completion of extensions to the Company's plant, now under way, the output of newsprint will be doubled and net earnings available for bond and debenture interest are estimated at $2,000,000 or at the rate of over twelve times debenture interest.
Price 100 and accrued interest
carrying stock purchase warrants
Write for circular Y-21 giving full particulars
501
NESBITT, THOMSON and Company, Limited
Royal Bank Building, TORONTO 2
Montreal Quebec Hamilton
London, Ont. Winnipeg

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY

Week end.	1926	1925	Change
June 21	$3,428,000	$2,895,000	+ $533,000

CANADIAN NATIONAL RAILWAYS

Week end.	1926	1925	Change
June 21	$5,213,562	$4,190,930	+$1,022,632

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	5	.
Can. Westinghouse, com.	162	166
Cosgrave Brewery	2	3
Dom. Power, pref.	97	99
Farmers Dairy, com.	48	..
Farmers Dairy, pref.	100	102
Dunlop Tire, pref.	75	79
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref.	26	30
King Edward Hotel, Deb. A.	78	80
King Edward Hotel, Deb. B.	58	60
K. & S. Tire, pref.	19	22
Loblaw Groc. pref.	101	.
Loew's Toronto, pref.	85	87
Loew's London, com.	2⅞	3⅜
Pure Food, com.	28	31
Mount Royal Hotel, pref.	38	40
Willard's pref.	69	72
Capital Life 25% paid	23	26
Continental Life 20% Paid	36	..
Crown Life	122	..
Empire Life	22	..
Excelsior Life 25% Paid	50	..
Great West Life	360	..
Imperial Life	260	..
Monarch Life 10% Paid	22	..
Ontario Equitable	25	[illegible]
Re-Insurance	23	..
Security Life, 40% Paid	30	[illegible]
Sovereign Life, 25% Paid	26	[illegible]
Toronto Finance, pref.	5	6
Trusts & Guarantee	74	77

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

NEW ISSUE:
$7,500,000
Province of Quebec
4½% Thirty Year Sinking Fund Gold Bonds
Dated 1st July, 1926 **Due 1st July, 1956**
Redeemable as a whole, but not in part, on sixty days' notice, at par and accrued interest at the option of the government of the Province of Quebec, on 1st July, 1951, or on any semi-annual interest date thereafter.
Principal and semi-annual interest (January 1st and July 1st) payable at the Bank of Montreal, Montreal, Quebec and Toronto, or at the Agency, Bank of Montreal, 64 Wall Street, New York, at the option of the holder.
A sinking fund will be established sufficient to redeem the Bonds at maturity.
Bonds may be registered as to principal only at the office of the Provincial Treasurer, Quebec.
Denomination: $1,000
Legal opinion: Messrs. Meredith, Holden, Heward & Holden, Montreal.
These bonds are a direct and primary obligation of the Province of Quebec and are payable from the general revenues, which amounted in the year ending June 30th, 1925, to $25,021,328.81.
For the last ten years the Province has had an average annual surplus over ordinary and extraordinary expenditures of approximately $1,350,000.
The net debt of the Province is less than 2.87 per cent. of the assessed (real estate) valuation.
Price: 98⅜ and Accrued Interest, New York Funds
Definitive Bonds will be delivered on or about August 1st.
Bank of Montreal
Hanson Bros. **McLeod, Young, Weir & Co. Ltd.**

Food Products

LOWER ESTIMATES OF WORLD SUGAR RENEW STABILITY

Indicated Supplies Much Smaller With Cuban Crop Curtailed

Holders of sugar stocks have followed with satisfaction the stabilizing influence in the industry of the most recent estimates of the world's sugar production for 1926. A short time ago a situation approximating chaos existed. Willett and Gray, international sugar statisticians estimate an increase of 631,022 tons for the current world crop. This represents a considerable decrease from earlier estimates. With this smaller increase in world output in prospect, and the probability that normal advances in consumption will care for the present large carry-over, the trade looks forward to the future with greater confidence.

In the last analysis, the critical period through which the sugar industry has been passing is due to war conditions. During the World War Cuba expanded her production in order to fill the gap in world supplies created by the sudden collapse of the sugar industry in the Central European countries. During the past five or six years the European industry has been recovering steadily, and last year the production of the continent was within 1,000,000 tons of the pre-war year.

During the interval, the high rate of Cuban production was maintained and estimates for the 1925-26 crop pointed to a record yield. This brought forward the problem of finding a larger market for the larger yield, a difficult task in view of conditions.

In order to meet world prices which were depressed by the statistical position of sugar, the product was being sold below the cost of production. As a result of this unsatisfactory situation the Cuban government passed an edict limiting the output. This became operative May 9. Production of the current crop was limited to 90 per cent. of the estimate, the figure being determined by an average of the three leading statistical authorities. As a result the actual yield will be about 4,900,000 tons against a figure of 5,330,000 tons had the output not been limited. Cuban production, as shown in the table which follows, adjusted itself to the decline in European output and after the war, but failed to respond to the increase of the past half-dozen years:

(Long Tons)

Year	U.S. and Islands	Cuba	Europe	World
1912-13	1,143,928	2,428,537	8,282,623	18,208,221
1914-15	1,343,000	2,592,667	7,646,540	18,484,889
1916-17	2,245,090	3,023,720	5,025,787	17,098,612
1918-19	2,029,842	3,971,776	3,185,811	15,797,460
1920-21	2,323,325	3,936,040	3,683,393	16,629,802
1922-23	1,962,509	3,602,910	4,574,325	18,158,256
1924-25	2,924,015	5,125,970	7,078,490	23,659,967
1925-26	2,530,886	4,900,000	7,460,403	24,290,989

New Biscuit Merger Reported Underway

After the recent merger of biscuit companies, one would have thought there was no further room for development along this line, says Canadian Grocer. But now still another amalgamation is reported in the offing. The news comes from London, Ont., and naturally one associates the name of D. S. Perrin & Co. with it. Another firm not at present in any merger is the Wm. Paterson Co., of Brantford, Ont., which was taken over last year by Charles Harvey and Starr Edmonds, two young men who were with the Christie-Brown Co. for several years. There are one or two other biscuit houses in Western Ontario that might be interested in such a merger, which, according to reports, is to be formed to offset the Canada Biscuit Co. organized a few months ago.

B.C. Fishing Stock Recedes Slightly

After reaching a high point of above 75 during the past week, B. C. Fishing stock has again receded slightly to around 72. This, however, is considerably above the average price during the first half of the year. In fact the outlook for the products of the company is very satisfactory. A recent booklet on the salmon canning industry published recently by McLeod, Young, Wier & Co. says:

Canadian salmon, by millions of cans, is carried to all the leading ports of the world. It is known in all the countries of Europe and Australia. China and Japan are purchasing large quantities of salt and frozen salmon.

Canadian pilchard and herring, also packed by the salmon canneries of British Columbia, are now sharing in the widening markets for our ocean products. Fish oil and fish meal promise to become an important kindred industry, with an inexhaustible supply from the teeming water of the North Pacific.

The tremendous food value of canned salmon is graphically indicated by a comparison of it with other foods:

Canned salmon	21.8
Sirloin steak	16.5
Sugar cured ham	14.2
Macaroni	13.4
Eggs	13.1
Chicken	12.0
White bread	9.0

Acadia Sugar to Sell $2,500,000, 6% Bonds

MONTREAL.—As was recently announced, the Acadia Sugar Refining Company has been reorganized and the properties transferred to a new Canadian company; the old company operated under a British charter. Under the transfer, the old first mortgage bonds will be redeemed on July 1 and a new issue of $2,500,000 first mortgage and $750,000 general mortgage bonds will be issued by the new company. It is understood that the new issue of general mortgage bonds has been sold for cash to interests long associated with the company and that a syndicate of investment houses headed by the Royal Securities Corporation has purchased the first mortgage bonds; these will bear interest at the rate of 6 per cent.

Acadia has been one of the largest Canadian producers of refined sugars for the past fifty years. Its plant some years ago was thoroughly modernized, and today it possesses a most modern refining plant, capable of producing 1,250,000 pounds of refined sugars per day. It is situated on tidewater at Halifax, and in consequence is one of the three Canadian sugar refineries which enjoy the advantage of being able to receive raw sugars throughout the year by ocean vessels, which precludes the necessity of carrying large inventories and makes for other economies in manufacturing.

Maple Leaf Common Recedes Slightly

Evidently as a consequence of the smaller profits reported by the Maple Leaf Milling Co. in their annual statement made public last week, Maple Leaf common has weakened slightly to around 57 from a high of 63 a couple of weeks ago. This stock opened at 88 at the beginning of the year, but has receded steadily owing to the unfavorable conditions under which the Canadian milling companies are operating.

OGILVIE FLOUR FIRM

Without any apparent change in the milling situation, Ogilvie Flour common shares have firmed slightly to 183. This stock has remained relatively firm in the face of adverse conditions in the milling industry. The preferred stock is now 119 against a lower quotation last week.

BREAD PREFERRED UP

After receding slightly from the high point for the year reached last week, Canada Bread common stands around 170 which is considerably above the average level for the half-year just closed. Preferred A stock, however, has risen to 110 which is the high point for the year. This opened the year at 106. Preferred B continues at 99.

Iron and Steel

Dominion Alloy Speeds Stock Collections

Dominion Alloy Steel Corporation has been gradually increasing its production of galvanized sheets. Production in the month of June exceeded 800 tons. Earnings, it is stated, were sufficient to meet operation charges and to leave a small surplus available for overhead expense, reserve, etc.

The company is now engaged in collecting unpaid balances due upon its stock subscriptions. Some half million dollars is yet unpaid of the approximately $1,500,000 of stock that has been sold. The company expects some bad debts, but hopes to collect enough to finish a black sheet mill this year. The black sheet mill is planned to have a capacity of about 20,000 tons a year, and it is hoped that about half of this will be used in the company's galvanizing plant.

While company officials are optimistic as to the possibility of securing dividends on the preferred stock during the year 1927 it is not believed by the "street" that the company's financial position will be such as to enable dividends to be paid for some years yet. Certainly present earnings are not enough to show any important profits if depreciation reserves and fixed charges be charged up and if the cost of raising capital be amortized. Completion of the black sheet mill, if it proves successful, may hasten the day when dividends can be paid, but the securities are as yet regarded as exceedingly speculative.

No balance sheet of the company has been issued. No recent statements have gone to the shareholders. In the absence of an auditor's financial statement, authoritative opinion as to the financial condition of the company is lacking.

The company has authority from the Michigan Securities Commission to sell up to $2,000,000 of its preferred stock and as less than $1,500,000 has been sold, there is not likely to be any early application for further permission to sell shares in that state. No salesmen are now active and the company is confining its efforts in raising capital to taking legal action against shareholders who have subscribed for stock and have not completed the payments of their various instalments.

Big Holders of Page-Hersey Sell Part of Their Holdings

Page-Hersey new common has this week advanced further to 46 and above and the preferred to 102. The offering of bonds to the public was quickly subscribed as was the offering of stock. It is explained that the purpose of the new financing is to consolidate various issues of subsidiary companies outstanding and reimburse the treasury for expenditures made out of reserves in connection with the expansion of the plant at Cohoes, N.Y. It is also understood that some of the large stockholders are disposing of a portion of their holdings.

Steel of Canada Moves Up on News From Ottawa

Steel of Canada responded to the news from Ottawa this week and advanced impressively. The steel industry should be among those to benefit most from a policy of adequate protection. If Steel of Canada has worked itself into a good financial position it has been through a combination of diversified products, exceptional management, and the deprivation of common shareholders of the return to which they are entitled on this class of investment. Regardless of the earnings which are shown by the company on the common stock, the fact remains that the company actually earned last year well under 6 per cent. on the investment in the property. Investors in the junior securities of such enterprises make industrial progress possible and their reward should be commensurate with the risks they take.

RUSSELL MOTOR PREFERRED

Concerning Russell Motor Car preferred, Edward Cronyn & Co. point out that this company was one of those that it was thought would be materially affected by the tariff changes. These, however, have been so much modified that so far as this company is concerned its earnings should not be adversely affected, and, as the stock is becoming more efficiently distributed from day to day in the hands of investors, it seems that at its present price of around 89 it is well worth a business man's consideration either for a temporary investment of funds or for something to draw a permanent income out of. At this price it yields nearly 8 per cent. on the investment. One great feature of strength is the very large credit balance of current assets over liabilities, which have been accumulated by this company, and its subsidiaries.

BESCO'S COAL OUTPUT

GLACE BAY. — The British Empire steel Corporation collieries, on June 25, produced 26,710 tons, of which 19,009 were hoisted at the Dominion Coal Co. mines in Glace Bay, Waterford.

This is the best output for the Dominion Coal Co. in eleven years, the best previous day's work being July 28, 1915, when 19,347 tons were produced.

WESTINGHOUSE OF CANADA

Operations of the Hamilton plants of the Westinghouse Company of Canada have been continuously active this year to date. A large volume of business is reported in airbrakes for cars and buses, while radio business has grown. The company is getting out a new radio apparatus known as Model "55," on which the management are basing great hopes. Canadian Westinghouse supplied airbrakes for the Toronto Transportation Commission, and invented the treadle exit used in some of the Toronto street cars.

Stock Market Record

WEEK ENDING JUNE 28

	Div. Rate	Yield June 26	High for wk.	Low for wk.	Close June 28	Close June 22	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.90	220½	219	220½	220	29	226	214
Dominion	12+1	6.15	211½	210½	211	212	174	219	210
Can. Nationale	10	6.36	157	157	157	157	80	170	157
Imperial	12+1	6.37	205	203½	204	205	221	215½	200
Montreal	12+2	5.18	270	267	269½	266	194	270	251½
Nova Scotia	16	5.50	290	288	290	287	39	300	281
Royal	12+2	5.62	249½	249	249½	249½	67	255⅛	248
Standard	12	6.15	194	194	194	195½	7	200	194
Toronto	12	5.47	220	219	219	220	11	222	213
Paper—									
Abitibi, com.	4	5.47	75¾	73	75¾	73½	2888	85½	70¼
Do. pref.	7	6.42	..	...	...	...	...	116	109
Do. com. (new)	.	....	..	...	...	...	...	22	22
Do. pref. (new)	.	....	..	...	...	...	...	68¼	68¼
Belgo-Can. com.	6	6.00	..	...	...	...	...	100	100
Do. pref.	7	7.14	98	98	98	98	422	101	95¾
Brompton (no par)	.	....	31	29¾	30	31½	577	35¼	26
Laurentide	6	6.89	87½	86½	87	87½	295	93½	81½
Price Bros. com.	2	2.98	67	66¼	67	67	140	72	57
Do. pref.	6½	6.53	100	99½	100	100	160	100	95
Prov. Paper, com.	6+1	6.86	102½	102	102	102	7	104	100
Do. pref.	7	6.78	140	103¼	103¼	104½	80	104½	100
Smith, Howard, com.	.	....	52	49¼	49¼	50	680	54½	38
Do. pref.	8	8.16	98	98	98	98	25	101	92¾
Span. River com.	7	7.01	100	99½	100	99½	290	101⅝	96½
Do. pref.	7	6.30	111	111	111	112	12	119	108
St. Maurice Paper	6	5.66	...	...	...	...	...	106	104½
Wayagamack	.	....	73½	70	73	69½	190	83	56
Steel and Steel Industries—									
B. E. Steel com.	.	....	½	¼	½	½	110	3½	¼
Do. 1st pref.	.	....	10	9	9½	10	582	30	9
Do. 2nd pref.	.	....	1¾	1	1¼	1¾	1125	10¾	1
Can. Car & Found. com.	.	....	39	37	37	39	35	49	33
Do. pref.	7	8.48	82½	81	81	82¾	20	85¾	73
Can. Fairbanks, pref.	.	....	..	...	...	...	...	60	60
Can. Gen. Elec. com. (par $50)			..	...	...	...	...	51	47
Do. pref. (par $50)	7	6.36	56	55	55½	56	48	60	53½
Can. Loco. com.	.	....	..	...	...	...	...	42	35
Do. pref.	7	8.53	82	82	82	81¼	2	89½	73
Canada Iron, com.	.	....	..	...	...	...	...	10	9
Do. pref.	.	....	..	...	...	...	...	42	39
Can. Forgings, pref.	.	....	45	45	45	45	25	50	41½
Dominion Coal	.	...	52	52	52	52	10	52	40
Dom. Iron, pref.	.	....	..	...	...	...	...	24¾	5
Dom. Bridge	4	4.04	100⅛	99	99	100¼	390	101¼	86
Dom. Radiator, pref.	7	6.98	..	...	...	...	...	103½	100¼
Dom. Steel Corp. pref.	.	....	14½	14	14	14¼	120	25	10⅝
Ford Motor	10	....	..	...	...	...	...	622	500
Massey Harris com.	.	....	52¾	52½	52½	52¾	435	60	40
Do. pref.	7	7.38	94¾	94½	94½	94½	94	97	93
N. S. Steel, pref.	.	....	..	...	...	...	...	25	25
Ontario Steel, com.	4	5.47	..	...	...	...	...	76	60
Do. pref.	7	7.00	100	100	100	98	10	102	98
Russell Motor, com.	.	....	39½	39½	39½	40	10	42	39
Do. pref.	7	7.93	88¼	85	88¼	89½	8	88¼	76
Sawyer-Massey, pref.	.	....	..	...	...	...	...	13	5
Steel of Can., com.	7	6.73	105	103¾	105	103½	925	106½	95⅛
Do. pref.	7	6.03	116⅛	116	116⅛	115½	18	118½	114
McK. Ind., com. (no par)	.	....	25	23	23	25	75	26½	15
Do. pref.	7	7.77	..	...	...	...	...	92	88
Milling and Foodstuffs—									
Arnolds, com.	.	....	25	24	24	24¾	15	265¼	18
Do. pref.	7	7.69	..	...	...	...	...	97⅞	89½
Atlantic Sugar, com.		....	26½	26	26½	26⅛	321	33⅞	21½
Do. pref.	.	....	..	...	...	...	...	88	75
B. C. Fishing	5	6.84	75¼	72¼	72¼	74½	2620	75¼	57¼
Can. Bread, com. (no par)			70½	70	70	70½	460	70⅞	53
Do. pref. (A)	7	6.57	110	106½	110	107	16	110	105
Do. pref. (B)	7	7.07	99	99	99	99	52	100	96¼
Can. Canners, com.	.	...	13	13	13	12¾	87	15	12½
Do. pref.	1	....	63¼	63	63	63	388	67¾	60
Canadian Salt	8	6.20	135	135	135	129	25	145	129
Christie Bisc., com. (no par)	30c	....	..	...	...	...	...	63½	44¾
Can. Bakeries, com. (no par)			..	...	...	...	...	37⅞	26½
Do. pref.	7	7.40	94½	94½	94½	94	20	98½	92⅞
City Dairy, com. (par $25)	21	4.16	72½	72¼	72¼	72¼	70	81	67
Do. pref.	7	6.54	107	107	107	108	7	112	107
Cuban Can. Sugar, com.	.	....	..	...	...	...	...	5	3
Do. pref.	.	....	..	...	...	...	...	28	21½
Dom. Stores, com. (no par)	60c		60¼	59	59	60½	99	68	56
Do. pref.	8	6.89	..	...	...	...	...	116	106
Wm. Davies (A)	.	....	30⅝	30¼	30¼	31	340	37½	30
Inter. Milling. pref.	7	6.94	..	...	...	...	...	105¼	99
Lake of Woods, com.	12	8.57	141	140	140	140	35	175	139
Do. pref.	7	6.03	116	116	116	116	10	118	115
Maple Leaf Mill, com.	.	....	57	57	57	60	59	88	50⅛
Do. pref.	7	7.36	..	...	...	...	...	10	92
Ogilvie Flour, com.	5	2.73	183	183	183	183⅞	10	200	165½
Do. pref.	7	5.88	119	119	119	118½	6	125	117
Pure Gold Mfg. (no par)	50c		19	19	19	20	62	23½	19
Shredded Wheat (no par)	75c	6.06	50	49½	49½	49½	156	51¼	47½
St. Law. Flour, com.	.	....	41	39	40	41	650	45	28
Do. pref.	.	....	..	...	...	...	...	84	82
Western Grocers, com.	.	....	5	4	4	4½	7	13¼	4
Do. pref.	.	....	51	50½	51	50	100	64	49
Viau Bis., com.	.	....	28	27½	28	27¾	351	28	18
Do. pref.	7	8.04	87	87	87	87	60	89	85
Western Grocers, com. (new)		....	26¾	26	26¾	27	101	27	26
Do. pref. (new)	.	....	63	63	63	62	1	63	62
Utilities—									
Bell Telephone	8	5.79	138	136½	173¾	139	372	141	131
Consumers Gas	10	5.84	171	170	170	171	129	183⅞	170
Inter. Ut. (A) (no par)	87¼	....	32	31¼	32	32½	45	38½	31¾
Cedar Rapids	8	....	..	...	...	...	...	50	40
Cons. Gas Rights	.	....	4.00	4.00	4.00	3.92	60	4.85	3.90
East Koot. Power	.	....	..	...	...	...	...	32	25
Jam. Pub. Ser. pref.	7	7.05	..	...	...	...	...	99¼	96¼
Laurentide Power	5	4.67	107⅛	107⅛	107⅛	108	10	110	100
Mackay, com.	7	5.24	133	132	133	133½	95	136	105
Do. pref.	4	5.71	71	70	70	70	281	73½	68¾
Mexican Light, com.	.	....	..	...	...	...	...	31⅞	29
Do. pref.	.	....	..	...	...	...	...	75	64
Mont. L. H. & Pr. Cons.	8	3.53	229	226	226⅛	228¾	5538	230	209
Mont. Telegraph (par $40)	8	6.66	49	48¼	49	49	28	51½	48
Nor. Mex. Pr.	.	....	..	...	...	...	...	47	42
Ottawa & H. Pr. com.	.	....	..	...	...	...	...	30¾	25
Ottawa L. H. & Pr. com.	6	6.21	..	...	...	...	...	100	92
Do. pref.	6½	6.37	100⅜	100⅜	100⅜	102	16	105¼	100
Quebec Pr. com.	5	4.00	128	122½	128	122½	1123	125	113
Do. pref.	7	6.12	114¼	114¼	114¼	114¼	15	116	109½
Shawinigan	8	3.96	207½	193½	207½	193	6604	207½	167½
South Can. Pr. com.	2.00	2.42	86	82½	82½	87	299	90½	82½
Do. pref.	6	5.91	101½	100	100	101½	217	104½	100
So. Can. Pr. rights	6	....	.80	¾	.60	½	783	2	½
Transportation—									
Can. Pacific Rly.	10	6.07	165	163	163¾	163⅞	247	165	147
Can. Steamships, com.	.	....	18½	17⅞	18	18	720	20	11
Do. pref.	.	....	70	69	69	69½	1129	73¼	56
Do. voting	.	....	18	18	18	18	25	19	11
Tractions—									
Barcelona (par $50)	..	....	36	34½	35	34	1154	36	26
Brazilian com.	5	5.14	98¼	96¾	97	98	8331	99	80
Do. pref.	6	5.94	..	...	...	...	...	102½	97½
Detroit U. Rly.	.	....	..	...	...	...	...	3½	2
Duluth-Superior	.	....	33¼	32	32½	32⅝	178	33¼	25
Illinois Trac., pref.	6	6.32	..	...	...	...	...	96¼	96¼
Mont. Trams	10	5.95	176	168	176	163	218	178	159
Ottawa Traction	4+1	8.06	..	...	...	...	...	65⅞	60
Porto Rico Rlys. com.	.	....	43½	43½	43½	43½	50	47	40
Do. pref.	7	8.18	85½	85½	85½	87	5	91	85½
Quebec Rly.	.	....	..	...	...	...	...	26¾	26
Twin City, com.	5	6.94	72¼	71	71	72½	767	79½	68¼
Do. pref.	7	6.79	..	...	...	...	...	103	102¼
Winnipeg Elec. com.	1	....	47¾	46½	47¾	48⅛	739	54⅞	45¼
Do. pref.	7	7.21	97⅛	96⅛	97⅛	98	85	100½	95
Textiles—									
Can. Conn. Cot. pref.	4	10.81	37	37	37	40	10	49	37
Can. Converters	7	7.77	90	90	90	90	6	94	90
Can. Cotton, com.	8	7.01	114	114	114	114	15	124	113
Do. pref.	6	6.31	..	...	...	...	...	99½	94
Can. Woollens, com.	.	....	..	...	...	...	...	8	5
Do. pref.	6	6.31	50	50	50	45	115	50	45
Dom. Textile, com.	5	5.49	94	89¼	94	91	1377	99⅛	89
Do. pref.	7	6.00	116½	116½	116½	116	1	122	115
Monarch Knitting pref.	.	....	..	...	...	...	...	50	45
Montreal Cot. com.	6	5.40	111	110	110	109½	365	111	102
Do. pref.	7	6.08	115	115	115	115	5	115	110
Penmans com.	8	4.37	184	181	184	183	255	190	173
Do. pref.	6	5.81	..	...	...	...	...	104½	102
Wabasso Cotton	4	6.55	61	61	61	61	125	65	60
General Industrials—									
A. Salesbk. com.	4	6.45	62	62	62	60	20	70	54
Do. pref.	7	7.36	95	94	94½	94¾	56	98	92
Asbestos Corp. com.	6	5.60	..	...	...	...	...	110	89
Do. pref.	6	4.74	..	...	...	...	...	128	109
Asbes. com. (new)	.	....	21	20½	20½	22	847	24½	17¾
Do. pref. (new)	7	9.06	77¾	76¼	77	77⅛	835	79¾	62
Bldg. Products	7	8.04	..	...	...	...	...	87	85¼
Brant. Cord. pref. (par $25)	8	7.84	26½	25⅝	26¼	25½	290	27½	25⅜
Burt, F.N. com. (par $25)	12	5.26	58	57	57½	57½	262	67	50
Can. Cement, com.	6	5.79	104	102½	105	102½	310	111½	98
Do. pref.	7	6.14	114	113¼	113¼	113¼	52	120	112¼
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alc. (no par)	1.28	6.73	19	18⅝	18⅛	18½	1898	20	16¼
Crow's Nest Coal	6	9.23	67	65	65	68	170	85	51
Dom. Glass, com.	7	7.65	94	91	91	94	207	105	85
Do. pref.	7	6.60	..	...	...	...	...	111	105½
East. Theatres, com. (par $25)			..	...	...	...	...	25¼	18¾
Do. pref.	7	7.77	..	...	...	...	...	90	83
Famous Players, com.	.	....	..	...	...	...	...	18½	12
Do. pref.	8	8.84	90½	89½	90	91	35	91¼	89½
Gilman, com.	6	5.55	..	...	...	...	...	108	104½
Do. pref.	7	6.03	..	...	...	...	...	116½	113½
Goodyear Tire, pref.	7	7.42	95¼	94	94½	95	326	97	85
Holt Renfrew pref.	7	7.95	..	...	...	...	...	90	85½
Do. com.	.	....	..	...	...	...	...	26	27
Kelvinator com. (no par)	.	....	18	17¼	17¼	18	165	20¼	15
Do. pref.	7	7.60	92	91½	91½	92	67	93⅞	90
King Edward Hotel	.	....	..	...	...	...	...	41	25
Lyall Construction	.	....	44	44	44	45½	150	48	20
Nat. Brew, com. (par $25)	4	6.45	60¾	60	60	60½	451	69	56
Do. pref.	7	6.54	..	...	...	...	...	110	106
National Brick com.	.	....	..	...	...	...	...	12½	10
Do. pref.	7	11.66	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.31	95	95	95	96	20	110	90
Do. pref.	7	6.86	104¼	102	102	104¼	22	110	102
Port Hope San. com.	3	3.48	..	...	...	...	...	88	74½
Do. pref.	7	6.71	..	...	...	...	...	105	99
Rogers, Wm. com.	.	....	53½	51½	53½	52	58	67	45
Do. pref.	7	7.54	..	...	...	...	...	97	90
Sher-Williams com.	6	4.44	135	133	133	135	25	137	125
Do. pref.	7	6.30	111	111	111	112½	30	114	110½
Sterling Coal	4	10.12	40	39	39½	40	35	43	37
Tooke Bros. com.	.	....	..	...	...	...	...	8	8
Do. pref.	.	....	..	...	...	...	...	60	55
Tuckett Tob. com.	4	6.45	62	62	62	62	50	65	61¾
Do. pref.	7	6.86	..	...	...	...	...	105	100
Woods Mfg. com.	.	....	47	47	47	47	1	47	38
Do. pref.	7	8.04	87	87	87	88	12	90	77¾
Trust and Loan—									
Central Canada	12	5.71	..	...	...	...	...	210	210
Canada Landed (par $50)	10+1	6.11	92	90	90	90	58	100	90
Can. N. W. Land	.	....	..	...	...	...	...	21	19
Can. Permanent	12	5.85	205½	205½	205½	205	21	208½	202½
Colon. Invest. (par $10)	6	....	..	...	...	...	...	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.63	..	...	...	...	...	133	127½
Landed Banking	9	6.00	..	...	...	...	...	150	150
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
Nat. Trust	12	5.17	..	...	...	...	...	245	232½
Ont. Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Est. Loan	7	8.23	..	...	...	...	...	106	100½
Toronto Gen. Trusts	12	5.45	..	...	...	...	...	225	220
Tor. Mort. (par $50)	10+1	5.55	100	100	100	100	8	100	93½
Union Trust	7	7.07	99	98	99	98	23	101	98
THE CURB MARKET									
Andes Pete	.	....	..	...	...	...	...	6⅝	6⅝
Beacon Oil	.	....	17¾	17½	17¾	17¾	455	19½	14¼
Brit. Am. Oil (par $25)	10	4.71	54	51⅞	53	52	2880	54	47
Can. Oil com.	1¼	....	..	...	...	...	...	75	65
Do. pref.	8	7.40	..	...	...	...	...	108	100
Continental Oil	25c	....	22¼	22	22¼	21¼	220	26	20
Dryden Pr. (no par)	.	....	8	8	8	7¾	30	8	5½
East. Engineer.	.	....	..	...	...	...	...	2½	1
Good & Worts	6	2.55	235	235	235	235	40	237	193
Imperial Oil	1.00	2.53	36½	35⅝	36	36	649	38½	32¼
Inter. Pete.	75c	2.27	34	33⅝	34	34	190	35	29¼
Man. Power	.	....	38	38	38	36½	52	42	24
Newsprint Corp.	.	....	..	...	...	...	...	27	18
Nor. Star Oil com. (par $5)			1.00	1.00	1.00	1.00	200	1.05	75
Do. pref.	.	....	4.90	4.85	4.85	4.85	240	4.90	4.05
Simpsons, pref.	6	6.00	1.00	100	100	99	10	102	99
St. Maur. Val.	.	....	45	44½	45	45	101	53½	40
Toronto R. S.	.	....	..	...	...	...	...	155	110
Volcania Oil (par $25)	62	....	..	...	...	...	...	29	26½
Attendu Eng.	.	....	43	40	43	40¼	3895	43	7
Can. Nor. Pr. com.	.	....	..	...	...	...	...	30	29
Cockshutt pref.	.	....	..	...	...	...	...	62	57¼
Dom. Eng.	.	....	67	67	67	65	5	65	65
Eng. Elec. com. (no par)	.	....	15	15	15	15½	2	24½	15
Do. pref.	.	....	70	68	70	70⅜	25	72	59½
Illinois Power, pref.	.	....	..	...	...	...	...	98½	96
N. S. Car	.	....	..	...	...	...	...	11	5
Paton Mfg. com.	.	....	..	...	...	...	...	55	50
Do. pref.	.	....	..	...	...	...	...	98	75
Page Hersey com.	.	....	..	...	...	...	...	183	160
Do. pref.	.	....	187	183	187	185	120	187	105
Page Hersey com. (new)	.	....	47	43	46½	...	3358	47	43
Do. pref. (new)	.	....	102	101	102	...	389	102	100½
Power Corp. (no par)	.	....	..	...	...	...	...	28¼	23
Pressed Metals	.	....	..	...	...	...	...	40	30
St. Law. Pr. (no par)	.	....	..	...	...	...	...	46½	36
St. Maurs Power	.	....	75	75	75	74	10	82	74
Un. Sec. com.	.	....	..	...	...	...	...	65	52
Do. pref.	6	5.79	103½	103½	103½	103	2	105	103
Nor. Mex. Pr. com.	.	....	..	...	...	...	...	55	41
Belding Pref.	.	....	75	75	75	101	10	101	75

The Royal Bank of Canada

Head Office, Montreal

Condensed Statement to the Dominion Government

May 31, 1926

LIABILITIES

Capital Paid up	$ 24,400,000.00
Reserve Fund	24,400,000.00
Undivided Profits	1,249,435.32
Dividend No. 155, payable June 1, 1926	732,000.00
Notes in Circulation	35,576,906.94
Deposits	586,632,991.20
Due to other Banks	16,797,627.29
Bills Payable (Acceptances by London Branch)	7,942,782.63
Letters of Credit outstanding	34,432,711.24
	$732,164,454.62

ASSETS

Cash on Hand and in Banks	$107,759,831.90
Deposit in the Central Gold Reserves	14,000,000.00
Government and Municipal Securities	99,060,348.29
Railway and other Bonds, Debentures and Stocks	19,867,125.54
Call Loans in Canada	32,643,920.34
Call Loans elsewhere than in Canada	45,339,646.48
	$318,670,872.55
Loans and Discounts	359,252,279.92
Liabilities of Customers under Letters of Credit as per contra	34,432,711.24
Bank Premises	14,807,301.23
Real Estate other than Bank Premises	2,324,232.84
Mortgages on Real Estate sold by the Bank	1,237,056.84
Deposit with Dominion Government for Security of Note Circulation	1,440,000.00
	$732,164,454.62

884 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

Auxiliary: THE ROYAL BANK OF CANADA (France)

1926 MITCHELL METALCRAFT 75th YEAR JUBILEE YEAR

METAL FITTINGS

that express the quality and dignity of the institution they are to serve, are the product of Mitchell Metalcraft.

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Newsprint and Sulphite Pulp

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Mills at PORT ALFRED, P.Q.

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St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL—QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

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Pulp and Paper

NEWSPRINT

Industry in Review.
Growth in Capacity.
Outlook for Investors
Short Range and Long Pull

From Our Montreal Correspondent.

LOOKING well ahead, sound students of the Canadian pulp and paper situation have never been anything but optimistic on the outlook for the Canadian newsprint industry as a whole.

Within the next six months, the Canadian output of newsprint will be increased by some 1,200 tons daily. This is an increase of about 1½ per cent. of the total production of North America. Whether or not such a large increase will cause temporary over-production is entirely in the lap of the gods, or, rather, of the newspaper consuming public of the United States, who to date have shown an amazing demand for more and more paper.

Six months ago there were many of the leaders in the newsprint industry who feared some over-production—but the reading public's appetite in the States has grown more than was anticipated, with the consequence that today a large percentage of the executives in the newsprint industry in Canada are much surprised at the strong demand for paper.

There is little doubt that the consumption of newsprint is nowhere near the saturation point. The saturation point is so remote that it need not be taken into account, and, consequently, it would not be safe to state that the industry as a whole is approaching a period of over-production. But figures of anticipated production are well worth studying and they do not forecast any material advance at an early date in newsprint stocks. It seems certain that the price of newsprint will not advance.

The pulp and paper industry as a whole has earned and deserves the hearty support of every Canadian, for it has been largely responsible for pulling the Dominion out of its industrial slough of 1921 and 1922. It is the largest single element in our industrial life.

Canada can make newsprint paper as cheaply, and cheaper than any country in the world. The man who wants to purchase a common stock for a long pull can do no better than to purchase some of the shares of the newsprint companies, but, on the other hand, the man who purchases only for six or a twelve months' hold should study the complete story of the various factors, such as markets and production, which affect the immediate future of his holdings.

The outlook for the newsprint companies is entirely favorable, yet many leaders of the industry say and recognize that, at least, there is a danger of over-production. Even if the possibility of such a danger be remote, investors must be aware of all the information before making their commitments.

When all is said and done, the chief factor which would tend to increase the market prices of the newsprint shares would be an increase in the prevailing price of newsprint—at the moment, and for many months past, the growth of the output in Canada could hardly be said to indicate any increased prices in the newsprint market.

In brief, the investor in newsprint securities is safe and reasonably certain of good profits. The position of the speculator is less certain.

Abitibi Being Bought on Dividend Prospects

MONTREAL.—There appeared to be no special news to account for the revival of interest in Abitibi this week, but its movement caused speculation as to a possible increase in the dividend, which, it is argued, the earnings of the company would easily justify the directors in declaring.

The working out of the planned merger with Spanish River is, of course, continually in the background of the market movements of both of these stocks.

Answering a query as to why Abitibi sells on a relatively higher basis than other paper stocks, O'Brien and Williams say: "Abitibi has, of course, worked into very excellent shape and is now strong in working capital, but possibly the real answer to the question is that Abitibi is earning a wider margin over and above its dividend of any of the active paper issues. Abitibi, however, is not the highest of the paper stocks. That honor goes to Port Alfred common, which is selling around 64½ and pays no dividend at all. The bulls on Port Alfred are real bulls. They expect the mill to be one of the cheapest producers in the country."

PULP COMPANIES BUILD LABORATORIES

MONTREAL.—The Canadian Pulp and Paper Association, in which each company in the industry is represented, is to erect new forest product laboratories at a cost of $350,000 at McGill University. The cost of upkeep and maintenance of the building will be borne in equal proportions by the university, the Forestry Branch of the Department of the Interior and the Pulp and Paper Association. It is thus planned to make McGill University the centre of the cellulose research work of the world.

MANITOBA'S BIGGEST INDUSTRY

WINNIPEG.—The largest group of industries in Manitoba, in number of establishments, is wood and paper products, of which there are 213, according to figures compiled by the Industrial Development Board of Manitoba. Next in order come vegetable products, with 190 plants; chemical products, with 129; and textile products, with 89.

GOODYEAR TIRE PREFERRED

The modifications of the cut in the tariff on automobiles having reassured the motor industry, Goodyear Tire and Rubber Co. should also experience better business in this connection. According to Edward Cronyn & Co., two statements recently made by the general manager, Mr. Carlisle, seem to make Goodyear preferred a very desirable stock to hold. Both of these were made to the shareholders, one before the budget, being his expression of opinion of the hope to pay off the 5¼ per cent. accumulated dividends on the preferred stock before the end of this year, and the other made after the announcement of the budget, that the shareholders' investment was perfectly secure both as to capital and dividends. This stock is available at around 95, and, allowing for the repayment of the dividend, it would pay a return of over 7¾ per cent.

TRUST AND LOAN'S BETTER PROFITS

Benefited by Reductions in Income Taxes on Last Year's Revenues

A slight decline in the earnings, but an increase in net profits of the Trust and Loan Co. of Canada, is shown in the annual report for the year ending March 31, to be considered at the annual general meeting of shareholders in London on July 8. Income for the year is shown in the revenue account at £306,681, compared with £309,746 for the previous year. A considerable reduction in the income tax resulted in net profits of £91,537, showing an increase over the £89,087 shown for the preceding year. Following are comparative figures from the revenue account:

Revenue Account

Year end. Mar. 31—	1926	1925
Earnings	£306,681	£309,746
Expenses	44,640	44,352
Interest	137,246	138,792
Retir. allowances	500	675
Income tax	24,710	36,840
Loss on land invest.	8,048	.....
	215,144	220,659
Net profits	91,537	89,087
Bal. forward	57,241	53,198
	148,778	142,285
Dividends	81,000	81,000
Reserve	5,268	4,042
Contingency	5,000	.....
	57,510	57,243

The directors explain that after carrying to the statutory reserve fund moiety of profits over 6 per cent. per annum on the paid-up capital of the company, as required by the Trust and Loan Co. of Canada act and royal charter, namely £5,268, the amount at credit or revenue, including £16,741 brought forward from the previous year, is £103,010. Out of this amount the directors transferred £5,000 to contingencies account, paid an interim dividend amounting to $40,500, leaving a balance of $57,510. The directors recommend that out of this balance a dividend at the rate of 6 per cent. per annum be paid leaving a balance of £17,010 to be carried forward.

The balance sheet shows assets of £4,687,665 represented largely by mortgage investment in Canada amounting to $16,486,683. Temporary investments and money at call amount to $878,273.

King Edward Hotel's Revenues Are Improved

Operations of the King Edward Hotel for the first five months of 1926 showed an increase in revenue of $80,278 and an increase in expenditure of $36,865, making the net increase $43,412, compared with the corresponding period in 1925.

The net loss for the five months was $31,906, compared with a net loss during the corresponding period a year ago of $75,318. Comparative figures are as follows:

	1926	1925	Incr.
Gross revenue	$940,067	$859,789	$80,278
Expenses	971,973	935,107	36,869
Net loss	$31,906	$ 75,318	*$43,412

*Decrease.

June—the sixth month of the year—has shown a favorable increase in business, due to swelling tourist traffic, and the next few months should bring about a favorable balance between revenue and expenses of substantial proportions. In 1925 the hotel made a net profit of $16,539, after operating expenses, taxes, depreciation, bond and mortgage interest and interest on debentures series "A" and "B." As the deficit brought forward into 1925 has been $174,154, the deficit brought forward into 1926 was $157,615. Indications are that 1926 results will further reduce this deficit materially.

Booth's Biggest Investment Was in His Own Company

OTTAWA.—The will of John R. Booth disposes of an estate of $7,626,092. The entire estate is left to his three surviving children, two sons, C. Jackson Booth, and J. Frederick Booth, and one daughter, Mrs. H. Gertrude Fleck, widow of the late Andrew Fleck.

The largest single holding is the stock in the J. R. Booth, Limited, valued at $2,397,060. The stock is rated at $60 a share. Holdings in the Canadian National Railways total $1,061,327; Province of Ontario bonds, $2,015,811; Dominion of Canada bonds, $663,364; Mattagami Pulp and Paper Company, $62,400; Continental Paper Products Company, $63,750. His holdings in the Nova Scotia Steel and Coal Company total $25,000; Dominion Iron and Steel Company, $26,766, and the Spanish River Pulp and Paper Company, $30,352.

Cockshutt Preferred in Better Dividend Position

Something for the holders of Cockshutt Plow preferred should not now be long deferred in view of the improved business which this company has been experiencing. Watt and Watt point out that last year's liberal crops throughout Canada and the relatively high prices secured for farm products have gone a long way in re-establishing the financial position of the farmer. During the year 1925 sales of the Cockshutt Company were almost doubled and settlements on accounts outstanding were materially improved. At the end of 1924 the company had nearly $4,000,000 in accounts and notes outstanding. As of December last, they stood at $3,486,000. Authorities in the farm implement industry who toured western Canada recently intimate that optimism prevails in the prairies, based upon much more healthy conditions, and that all that is required to set the westerner firmly on his feet is another good crop and reasonably profitable prices. Up to the first of June there were arrears in respect of these dividends amounting to 53½ per cent., and the current range of the stock in the open market is between 56⅛ and 58½.

EASTERN DAIRIES GROWS

MONTREAL.—The Eastern Dairies, whose shares were recently offered the public, has entered the Toronto field by the purchase of the Acme Dairy Company, a Toronto concern established over thirty-eight years ago and operating thirty-six wagons. It is reported also that the company is negotiating for the purchase of another dairy in Toronto, and one of the leading dairies in Hamilton, Ontario. The Acme Dairy Company operates a modern plant in Toronto, with shipping centres in outlying points.

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Public Utilities

NORTHERN MEXICO PAYING UP ARREARS ON THE PREFERRED

Dividends for Three Years Paid Off During 1925

Northern Mexico Power & Development showed an increase in income for 1925, after depreciation, of $121,126 or 33.2 per cent., while the 1924 earnings were in turn $71,649, or 24.4 per cent. higher than those for 1923. Profits before depreciation, interest and Mexican income taxes were $789,054. Allowance was made for depreciation to the extent of $200,000. Interest on bonds and loans $41,872. Discount on bonds, etc., $7,213. Mexican taxes $54,000. This leaves net income, after deductions, of $485,968 for the year. With the previous surplus of $831,945, there was made available $1,317,914, out of which preferred dividends of $630,000 were paid. Following are comparative figures:

Profit and Loss

	1925	1924
Profits	$789,054	$514,842
Depreciation	200,000	150,000
Bond interest	41,872	......
Bond discount	7,213	.....
Taxes	54,000	......
	303,085	150,000
Balance	485,969	364,842
Bal. forward	831,945	887,103
	1,317,914	1,251,945
Pref. dividends	630,000	420,000
P. & L. surplus	687,914	831,945

W. D. Ross, president, in presenting the report of the directors, states that the total power distributed during the past year was 14,547 h.p., being an increase of 3,772 h.p., or 35.0 per cent. over the previous year. Mr. Ross also stated that the directors had paid dividends that had accrued on the preference shares over the three-year period between 1922 and 1924. This required $630,000.

In connection with the demand for power Mr. Ross stated that the directors have in view the early development of an additional 3,500 h.p. to meet the growing demands for electrical energy in the territory served by this company.

The balance sheet shows current assets of $677,548, and current liabilities of $187,322. The company's reserve for depreciation to property now stands at $707,623. Capital assets are carried on the books at $14,386,665 and outside investment of book value $49,049.

Assets

	1925	1924
Property	$14,386,666	$14,368,973
Outside invest.	49,049	69,049
Current assets	677,548	632,097
Deferred charges	43,509	41,293
	$15,156,772	$15,111,412
Liabilities		
Capital stock	$13,000,000	$13,000,000
7% mort. bonds	500,000	405,000
Accounts payable	20,502	54,001
Coupons outstand.	3,525	3,525
Advances	163,296	292,157
Reserves	781,535	524,784
Surplus	687,913	831,945
	$15.156.772	$15,111,412

Outlook for Common

From the standpoint of the holders of the common shares it is interesting to note that the annual seven per cent. preferred dividend takes $210,000, compared with the year's profits of about $486,000. President Ross announced that arrears on the preferred have now been paid to the end of 1924. It will thus be seen that the prospects are materially improved for some distribution on the $10,000,000 common stock if the present rate of income can be maintained or improved.

Ottawa "Power" Earns More in Half Year

From Our Own Correspondent.

MONTREAL.—The earnings of the Ottawa Light, Heat and Power Company for the first half of the present fiscal year show an improvement as compared with 1925. The six-month period ended June 30. One of the contributing factors to the improved earnings has been the increased industrial and constructional activities in the Ottawa Valley; especially those of the International Paper Company, which is employing many men in its development of the Gatineau River power sites. There seems every indication that the resulting benefit to Ottawa "Power" will be continued. While the competition with the local civic hydro keeps power rates very low, yet the company continues to obtain its share, and more, of new business offering.

Recently the company's building in Ottawa was expropriated by the government. It is anticipated that it will erect a new large, up-to-date, fireproof building in one of the best locations in the city's business section.

Duluth-Superior Now Looking for Higher Fares

As the result of a two-day hearing of the case of the Duluth-Superior Traction Company for higher fares before the Minnesota Railway and Warehouse Commission, and subsequent adjournment in order that the company may present a brief, delay beyond the 1st of July for the looked for higher tariffs has resulted, but President Robertson is well satisfied with the evident impression made, The Financial Post understands. It is hoped that the company will be allowed to charge fares at least as high as those awarded in the case of the Twin City company, that is, 8 cents, with 6 tickets for 40 cents. The present rate is 6 cents and this, it has been conclusively shown, is far from adequate to pay anything like a reasonable return on the valuation of the company's property which has been recognized by the city.

Like other traction companies, Duluth-Superior is facing the problem of motor transportation, and the operation of the private automobile is cutting into revenues, although the company has gone into the bus business to get its share of the rubber-tired business.

SHAWINIGAN STOCK AT $125 SUGGESTED

Further Sharp Advance in Stock Draws Attention to New Share Possibilities

From Our Own Correspondent.

MONTREAL.—The further sharp advance in Shawinigan Water and Power Company shares has drawn increasing attention to the stock and to the possibility of a further issue which would give the shareholders valuable rights. Present street gossip says that the new stock will be issued at $125; this would make the rights worth in the neighborhood of $13, but such forecasts are but speculations and most certainly are not based on anything like official information.

Whether or not Shawinigan will issue all the $5,000,000 of its stock which remains in the treasury remains to be seen. One thing, though, is certain. There is something of an encouraging nature soon to be revealed to the shareholders, for the stock would not have scored such a big advance simply on rumors or by an increased market demand, brought about, perhaps, by buying by the group of large financial interests who recently accompanied J. E. Aldred, the president, on a tour of the power plants which comprise the Shawinigan system. Where there is smoke there is fire—it clears away, will reveal smoke, and when it clears away, will reveal something of satisfaction to the shareholders—the most obvious solution, of course, is the issuance of more stock to the shareholders.

While Shawinigan has been making a market display, two other closely related companies have also shown strength, namely, Montreal Tramways and Quebec Power. The latter is controlled by Shawinigan, whilst "Trams" is controlled jointly by Montreal "Power" and Shawinigan. Thus the strength in these two associated companies perhaps indicates that the present buoyancy is the forerunner of some really big move affecting both the company and its many subsidiaries. Some such move has been anticipated, but the thought of any such move at present is generally considered to be premature.

Thus in the past there has long been talk of some holding company to be formed which might embrace many of the companies now in the Shawinigan group.

For many years Shawinigan pursued a policy of expansion and of ploughing back earnings into the property. It is really only within the last year or two that the shareholders have begun to feel the benefit of the sound policies which have been pursued for so many years.

Public Utility Earnings

Barcelona Traction

May	1926 Pesetas	1925 Pesetas	Incr. Pesetas
Gross Earn.	7,155,717	6,802,421	353,296
Oper. Exp.	2,714,002	2,555,691	158,311
Net Earn.	4,441,715	4,246,730	194,985
Aggr. Gross from Jan. 1st	39,121,290	36,944,949	2,176,341
Aggr. Net from Jan. 1st	26,087,402	25,004,980	1,082,442

Jamaica Public Service

April—	1926	1925	Increase
Gross Earn.	$52,700	$50,761	$ 1,938
Oper. Exp. & Taxes	33,726	32,245	1,480
Net Earn.	$18,974	$18,516	$ 457
Int. Charges	6,271	6,893	x 622
Bal. for res., retire., and Div.	$12,702	$11,622	$ 1,080
12 Mos. end. April 30—	1926	1925	Incr.
Gross. Earn.	$634,793	$591,505	$43,288
Oper. Exp. & Taxes	396,096	393,851	2,245
Net Earn.	$238,697	$197,654	$41,043
Int. Charges	76,862	79,844	x2,981
Bal. for res., retire., and Div.	$161,835	$117,809	$44,025

xDecrease.

BRAZILIAN TRACTION

May	1926	1925	Inc.
Gross. earn.	$3,381,959	$2,282,198	$1,099,761
Oper. exp.	1,431,282	959,984	471,298
Net earn.	1,950,677	1,322,214	628,463
Agg. gross from Jan. 1	15,538,709	11,522,169	4,016,540
Agg. net from Jan. 1	8,900,467	6,693,854	2,206,613

The following table shows earnings for the month of May and for the previous twelve months, with comparisons:

1925	Gross	Net	Net Inc.
May	$2,282,198	$1,322,214	$x 153,826
June	2,386,113	1,350,445	x 144,818
July	2,250,132	1,390,790	885,550
Aug.	2,805,346	1,585,830	234,081
Sept.	2,846,091	1,514,288	69,554
Oct.	3,100,963	1,568,072	117,671
Nov.	2,911,695	1,554,038	132,209
Dec.	3,111,251	1,714,418	310,888
Jan., 1926	3,163,670	1,792,288	298,795
Feb.	2,893,557	1,678,787	394,445
March	3,077,791	1,763,343	417,416
April	3,021,732	1,715,372	467,494
May	3,381,959	1,950,677	628,463

xDecrease.

Brazilian's Earnings Are Best in Past Two Years

Brazilian Traction Light and Power Company, Limited, showed higher net earnings for the month of May than for any preceding month in the last two years. The net for May amounted to $1,950,677, an increase of $628,463. The best previous mark attained in net earnings during the current year was $1,792,288 in January, and the high mark for 1925 was reached in December, when the net earnings were $1,714,418.

Gross earnings were also substantially higher, amounting to $3,381,959 in May, an increase of $1,099,761 over the corresponding month of last year. The high mark for gross earnings for 1925 was in December, when the figures were $3,111,261.

Aggregate gross earnings for the first five months of the year were $15,538,709, an increase of $4,016,540 over the corresponding months of last year. The aggregate net earnings for the five months were $8,900,467, an increase of $2,206,613.

HAMILTON'S STREET CARS

HAMILTON.—George E. Waller, general manager of transportation for the Dominion Power and Transmission Company, states that reports to the effect that the new car barns would be completed by November are not correct. This was not possible, he said, as the plans would not be ready before September, and there would be several months' construction work after that.

E. KOOTENAY CHANGES CAPITAL

MONTREAL.—The shareholders of the East Kootenay Power Company at a special meeting this week approved an increase in the authorized capitalization. This was necessary as, due to the growth of the enterprise, the management sees the need for further financing in the future.

The 7 per cent. preferred stock has been increased from $750,0000 par value to $5,000,000 par value, and the common stock has been increased from 30,000 shares to 50,000 shares.

C.P.R. RELIES ON HARVEST RETURNS

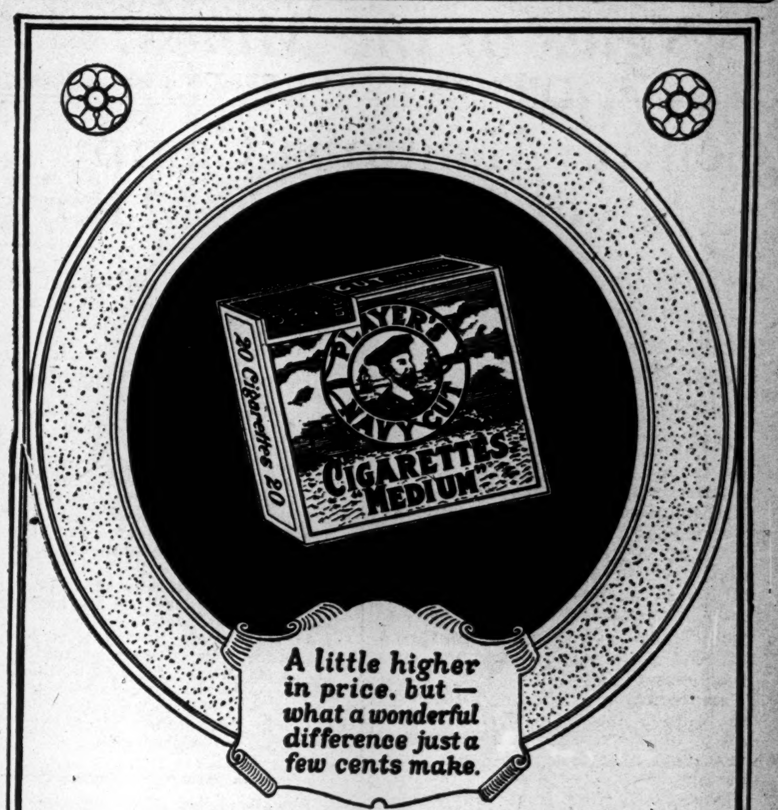
For First Five Months of Year Net Profits Have Been Almost Doubled

From Our Own Correspondent.

MONTREAL. — For the first five months of the year the net profits of the Canadian Pacific Railway have almost doubled and amount to $11,129,583, as compared with only $6,213,195 last year. Shareholders well remember the anxiety which they felt at this time last year when the stock was in the doldrums and earnings kept decreasing. Naturally, with earnings at their present level, the stock was bound to rise—probably its market price will score further advances, for, during the month of May, the net earnings amounted to $2,448,876, which is a tremendous increase as compared with a net in May, 1925 of only $908,914.

The latter figures indicate that the improved showings which have been made will be maintained—at least until this year's crop is harvested. While not solely dependent on the improved harvest of last year, yet the bettered earnings are largely traceable to this source. The shares of C. P. R. have been rising fairly steadily; whether this will be continued during the autumn will probably depend almost entirely on the crop situation in the West. Therefore, from now on throughout the summer months there are many keen investors who will watch closely all the western crop reports, for these will have a very direct bearing on the price of the stock—more especially next fall than now. Thus, any holder of C. P. R. shares who wishes to sell within, say, the next eight months, may perhaps be better able to gauge the best time for selling—or buying—through a study of crop conditions prevailing in western Canada. Of course, many other investors in the shares will be trying to work along these lines. Nevertheless, the shares are so widely held, both in Great Britain and in the U. S., that the shareholder who resides in Canada has a better opportunity of forecasting fairly accurately the future position of the shares, rather than the investor who is domiciled abroad and has little chance of keeping in close touch with the immediate outlook for business in the Dominion.

May:	1926	1925	Inc.
Gross	$15,492,758	$12,567,612	$3,025,145
Exp.	13,043,881	11,558,698	1,485,183
Net	$ 2,448,876	$ 908,913	$1,[illegible],962
Five Months:			
Gross	$69,693,817	$61,691,172	$8,002,645
Exp.	58,564,234	55,477,977	3,086,257
Net	$11,129,583	$ 6,213,195	$4,916,388



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News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

Central Manitoba Camp Several Mines in Making

Very Spectacular Gold Properties Opening Up Well, Says Jos. Houston, Veteran Engineer, Following Study of Area.

"I believe they will have four or five mines in there," said Jos. C. Houston, veteran mining engineer of Northern Ontario, just out from an extended trip into Central Manitoba. Mr. Houston travelled in all about 600 miles, covering the whole of the Central Manitoba, Red Lake, Woman and Birch Lake areas by canoe.

Mr. Houston was much impressed with the Manitoba country and sees great possibilities there. There is little appreciation of the possibilities of that section among mining men generally, he says, but he looks for a great deal of activity in there from now on.

There are three important operations going ahead at the present time and all seem to be ear-marked mines. Central Manitoba Mines, the property of W. A. D. Syndicate, in which John Taylor & Sons, London, have taken a large interest, is the leader in the matter of development. Then comes the Cryderman property of Mining Corporation and the Eldorado, owned by a Toronto company and in charge of the Labine boys, Gilbert and Charlie.

It is rather interesting to note that these properties, all rich in gold, showing very high grade and an average over good widths of better than $20 to the ton, have gold in distinctly different form. On the Kitchener group of Central Manitoba, where the most work has been done, they never see free gold. They get low pannings. The gold is very finely disseminated or associated with other minerals, but with what minerals, has not yet been determined. Some of the ore looks to run 3 to 4% copper, whereas it is really an iron sulphide carrying a little copper. There may be tellurides, but they have not been recognized as yet. Ore, that looks like high grade, may run only 40 cents, while poor looking stuff may run $40. Despite this fact it has been found, in the exclusive lateral work done to date that the values are well distributed and uniform.

Slugs of Free Gold

On the Cryderman, there are very spectacular showings of free gold, some of it fine and some in heavy slugs of coarse gold, besides tellurides. Commercial values are consistent and in some cases very high. It is stated that at times it is difficult to get a conservative sampling because of the presence of so much free gold.

On the Eldorado there is lots of free gold, in fact the free gold showings are very consistent but finely disseminated and associated with iron pyrites. Fine sprays of free gold are to be found all through the quartz.

The Cryderman property is north of the others and the values are secured in a basalt schist. The Kitchener is on the north edge of a granodiorite intrusive while the Eldorado is right in the heart of this intrusive. This body is really granite basic in phase with a little hornblende in it. The body is 3 or 4 miles wide and about 20 miles long.

Mr. Houston says there is a surprisingly large amount of open ground available for prospecting and staking. This is well worth attention. He also commented on the fact that the prospectors in the field have no exalted ideas in regard to the value of their claims. They are ready to do business and there are lots of claims with interesting free gold showings and numerous veins that can be purchased for $50,000 with a couple of years to make the payments.

Kitchener Property

J. H. Stovel is in charge of the Central Manitoba operations. It has recently been decided to suspend developments on the Kitchener claim and to move 1,400 feet west and sink another shaft to test out that part. On the Kitchener a shaft was sunk 375 feet with lateral work on two levels and from the lowest a winze was sunk an additional 65 feet. The vein looks excellent at the bottom of the winze and is eight feet wide and better in values than on the first level. The average values throughout the workings have been good and consistent all the way. The drift on the 375 foot level is about 450 feet long and there is still good ore in the west face. Lateral work done totals about 2,000 feet.

The company owns a 2½ mile stretch of this break, except for a five acre claim in the centre of it which is owned by a Winnipeg man.

Cryderman Down 250 Feet

The Cryderman shaft is down 250 feet and lateral work is being pushed ahead on the 125 and 250 foot levels. The vein has been traced on surface and sampled for 1,000 feet and it shows an average width of 12 feet. It holds this width consistently in the shaft. Mr. Houston said he understood that the values were good. From another source we learn that after throwing out all pieces of ore with free gold showings the average secured in the shaft were better than $20. North of this vein is another, equally as good looking, with a width of 5 to 6 feet. It is just as rich on surface with spectacular free gold and telluride showing.

The Eldorado break has been traced and operated out in various places for 2,500 feet. It outcrops on the property for 1½ miles. The vein on surface showed a width of 1½ feet, while 40 feet down in the shaft it had widened close to four feet. The average values are better than $20, some of the samples across the width of the vein showing consistent values after checking and rechecking of $32 to $38 with one $500 channel eliminated. The outcrop dips into a swamp so that its real length is not as yet known. It is the intention of the company to sink additional shafts on the property and in the winter will take in a mining plant.

Two Swedes, Berg brothers, have another interesting looking property. These men work in the winter for a grubstake and spend the summer on their claims. They have done a tremendous amount of work and have some spectacular showings. Negotiations have been pending on other properties in the district but nothing has come of them.

Red Lake Operations

Speaking of his trip to Red Lake, Mr. Houston said that in making the trip from Central Manitoba, they found that from Bee Lake, east of the Ontario boundary, to close to Red Lake, the country is still all granite and very tight. They checked with miles further north and they found the same condition. This dispels the belief that the Red Lake break and Manitoba break might be found to connect up.

Mr. Houston was surprised at the little work being done in Red Lake. Everyone seems to be stalling. Outside the Howie, Dunlop and McIntyre, none of the other big companies or syndicates were doing anything. He says there may be more at work by now.

The Howie property, he said, looked good, and is likely to make a mine. He found that the great interest has switched to Woman Lake, and in coming out he met 40 or 50 parties going into the new area. The Woman Lake and Birch Lake sections cover a large area, 35 to 40 miles wide and 80 to 90 miles wide. He believes that some productive belts will be found but noticed that parts of it were of the hard type with little shearing. The section near the S. W. bay of Birch Lake, near Shaubameni River is fairly well schisted. This is all staked. He suggests that it will take an exceptionally good property to warrant spending any money in that part of the country as transportation is quite an item and it will be a great deal more expensive than Red Lake.

POWER AND TRANSPORTATION PROBLEMS OF THE CENTRAL MANITOBA NEARING SOLUTION

The expectation of the operators in Central Manitoba section, around Bull Dog, Long and Rice Lakes is that by the end of the year a decision will have been reached in regard to a power supply for the mines and also the transportation problem solved.

Gilbert Labine, operating Eldorado property in that area, feels confident that either the C.P.R. or C.N.R. will extend into the camp and also believes that Manitoba Power will extend its power lines into the area.

At the present time it is costly to get into the properties, taking about 48 hours from Winnipeg. This may be cut down to 36 hours in the near future. Supplies are taken in during the winter, there being a good winter road.

Highgrading Was the Popular Mining Method In Manitoba 10 Yrs. Ago

Central Manitoba about ten years ago seemed destined to come in for a great deal of attention. There were many operators but a real mining effort was not made. Instead the methods were those of high-grading, taking out the rich ore and letting the low-grade stay in place. In some cases it is said veins were followed by shafts that to-day resemble a corkscrew. The Goldpan is one of these. It is said to have yielded handsome profits. Situated right in the area to-day are five small mills, all abandoned. Some of them were never of any use. On the property there is a small five stamp mill set up without a building while the crusher is elevated above the mill on poles. If it was ever operated a half hour the whole thing would collapse. These methods are what gave the camp a black-eye years ago.

Are You Aware?

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Hollinger Produced Nearly $10,000,000 More Than Homestake Last Year

Homestake Mine, South Dakota, known as the biggest low-grade mine on the continent, in 1925 produced $5,999,073, from 1,589,701 tons of ore milled, or $3.7737 per ton. Dividends totalled $1,758,120, of which sum $1,194,168 was paid from depletion reserve, which left $563,952 to be paid out of the year's earnings. At the same time $589,871 was set aside to be added to depletion reserves. Depreciation and depletion accounts stand at $8,523,666. Surplus totals $981,519. The company's issued capital is $25,116,000. Compare some of these figures with those of Hollinger for 1925:

Hollinger with about the same issued capital, produced $15,786,405 from 1,929,888 tons or $8.51 per ton and paid $4,378,800 in dividends and added $1,063,761 to depreciation. Surplus stands at $9,776,762. In tabular form they size up:

1925	Homestake	Hollinger
Bullion prod.	$5,999,073	$15,786,405
Tons milled	1,589,701	1,928,888
Aver. per ton	$3.7737	$8.51
Dividends	$1,758,120	$4,378,800
Capital issued	$25,116,000	$24,600,000
Surplus	$981,519	$9,776,762

ANOTHER QUEBEC PROPERTY SOLD

Porcupine Gold Fields Takes Option on 600 Acres of Ontabec Holdings

Porcupine Goldfields Development and Finance has taken an option from Montreal interests on the Ontabec group on the Dufresnoy-Rouyn boundary, east of Amulet "B" group.

Montreal people purchased the group from Ontabec for $35,000 cash and a 15 per cent. interest. They have sold a 51 per cent. interest to Porcupine Goldfields. A new company, Calumet-Rouyn will be organized with $3,000,000 capitalization and the Ontabec Co. will receive 450,000 shares of stock for its 15 per cent. interest.

The property consists of 600 acres and values as high as 22.68 per cent. copper were secured in doing surface work. There is a large body of copper ore on one side of a marsh and a similar body on the other. It is the intention of Porcupine Goldfields to do some work with an electric prospecting outfit to see if the outcrops on each side of the marsh are the same body. Two diamond drills, now on the Arntfield property in Boischatel, will be moved over to the property. It is said that the exploratory program prepared for the property will involve the outlay of $50,000.

Argonaut Will Explore Further by Drilling

Argonaut Consolidated is reported to have encountered good ore on the 875 and the 1,000-ft. levels. It is understood that a drilling contract to shoot horizontal and vertical holes from the new deep horizon is to be placed at once. The plan is to open up the mine at deeper levels as soon as possible. Argonaut's annual meeting is set for July 7.

WILL MANAGE MARCH GOLD

E. McEwen, manager Wabi Iron Works, New Liskeard, has been appointed manager of March Gold Mines, Delora. The company is about to start its mill.

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HIGHER LEAD PRICE BENEFITS SMELTERS

Market Strengthened — Last Year's Canadian Production Sets New Record

Lead is now $8.25. At the first of the month it was around $7.60. There has been a heavy demand, buyers evidently stocking up to avoid the higher prices which generally come with fall and winter. The advance in price is of material interest to Consolidated Smelters which in 1925 produced 236,079,266 lbs. and will this year produce considerably more. Lead in 1925 averaged $9.12.

Smelters plans to ship 16,000 tons of zinc concentrates to Belgium, the first shipment to go forward this month. In five months ore and concentrate custom shipments to Consolidated Smelters totalled 47,927 tons compared with a total of 44,419 tons from independent operators for the whole of last year. These figures evidence the big increase in base metal operations taking place in British Columbia.

Canada's 1925 lead output of 253,590,578 pounds, an advance of 44.5 per cent., established a new record above the previous high record of 175,485,499 pounds. Revised figures compiled by Mining, Metallurgical and Chemical Branch of The Dominion Bureau of Statistics show this large increase was caused mainly by the greater production of the famous Sullivan Mine of Consolidated Mining and Smelting, and the work of enlarging its mining, milling and smelting facilities during 1924 had its full effect in 1925. Other mines in British Columbia also reported increased shipments during the year. The other lead producing provinces, namely, Quebec, Ontario and the Yukon Territory, all showed increases in production.

British Columbia mines accounted for slightly more than 95 per cent. of the total output. Ontario contributed about three per cent.; zinc-lead properties in Quebec yielded slightly more than three-quarters of one per cent., and the Mayo District in the Yukon supplied the balance.

The year 1925 commenced with a price of 10.04 cents per pound for pig lead on the Montreal market but at this figure, sales fell off and by May it had dropped to 8.14 cents. During the last half of the year the movement was upward, the price for December being slightly more than nine cents. For the year 1925 the price averaged 9.12 cents per pound as against 8.104 cents during 1924. Comparative figures follow:

Provinces	Pounds	$	Pounds	$
British Columbia	168,467,628	13,652,617	242,454,502	22,111,850
Ontario	5,055,368	409,687	7,209,534	657,510
Quebec	1,058,983	85,820	2,051,100	187,060
Yukon	903,520	93,221	1,875,442	171,040
Total	175,485,498	14,221,345	253,590,578	23,127,460

Pete Lake Shareholders Offered New Stock

Peterson Lake Mining Co. has completed its financing plans and is making an offering to old shareholders of 1,945,133 shares of common stock at 15 cents per share and 76,024 shares of preferred stock at one dollar per share. They can subscribe for either common or preferred shares or for both. Subscriptions with payment in full must be in before July 15. The object of the proposed issue is to provide funds to be used to discharge the immediate obligations of the company and also to resume and carry on mining operations on the property at an horizon pronounced quite favorable. Should this issue not be taken up by the shareholders to an extent sufficient to carry out these purposes, the directors will arrange with others for its disposal on as favorable terms as possible.

WOMAN LAKE SYNDICATE STARTS

Woman Lake Centre Gold Syndicate, which owns 480 acres in the Woman Lake district, has arranged with Wm. Moggridge to work the claims, and he left Saturday night for the property with a gang of men and supplies. The claims owned by this syndicate lie between the Rowe and Powell claims.

ASSAY OFFICE FOR PORT ARTHUR

Ontario department of mines has opened an assay office for the benefit of prospectors at Port Arthur. There has been quite a demand for such aid.

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News of the Mines

IMPERIAL HELPING, NOT RETARDING OIL HUNT IN ALBERTA

Rumors Around Calgary That Big Operator Used Influence at Ottawa

Turner Valley south of Calgary is witnessing considerable activity in oil drilling line, there being now fifteen wells in process of drilling with five others ready to start drilling within the next few days, says an official news bulletin of the Alberta Government. Arrangements are being made, it is stated, to bring the MacLeod well in as a producing well, at a depth of about 3,700 feet. This well is giving a grade of naphtha as high or higher in quality than the famous Royalite No. 4, which for more than a year has been giving a production of 15,000 barrels a month of 73 degree Baume oil.

The McLeod will be brought in under expert supervision, according to the announcement of the directors of the company recently. The services of George B. Sammons have been obtained for this purpose, and he will take charge of operations at the derrick.

Mr. Sammons is an experienced petroleum engineer, and was the man who located the Royalite No. 4 well. He has served the Imperial Oil Co. in many fields besides the Albertan.

R. J. Hutchings, president of the McLeod Oil Co., stated that Mr. Sammons will now be at the complete service of his company, and that he has severed all connection with Imperial Oil.

It is expected that he will make a report to the directors of the company shortly, regarding the cementing in of the casing in the well, and further work will be continued under his supervision.

In the West one frequently hears it charged that Imperial Oil does not want the Alberta oil field developed. The writer heard many of these rumors on the occasion of a visit in April. These rumors were called to the attention of Hon. R. B. Bennett, K.C., M.P., recently by Calgary Herald. The Herald terms the rumors as "malicious" and it would appear as if there is a new crop afloat as the one Mr. Bennett was asked about charged that Imperial was endeavoring to prevent the "bringing in" of McLeod No. 2, and was using its influence with the government. Mr. Bennett said:

"Surely the general public cannot but know that the Imperial Oil, Ltd., and Royalite Oil Company have lent casing, machinery, and equipment, and placed their most experienced men at the disposal of oil companies, having reason to believe that their wells may soon become productive.

"The fact is, the Imperial Oil Co. and its subsidiary, the Royalite Oil Co., is as deeply interested in the results of drilling by other companies in the Turner Valley as though it were their own work, for it is of primary importance that the field should be proven. If any have any doubt as to the absolute correctness of the statements I have made, I would be glad if they would call upon me, and I will convince them of the facts and show that these reports are circulated with malicious intent at a time when co-operation in the work in Turner Valley is most essential."

NOVA SCOTIA OIL RIGHTS

H. L. Doherty & Co., New York oil interests who have been interested in Western Ontario oil fields for some time, have secured oil exploration rights on 5,000,000 acres in Nova Scotia. This company has similar rights in Prince Edward Island and has been drilling there for some time. They have also taken rights in Pictou Island. A well-developed antecline traverses the island.

AUCTION OF CANADIAN SHARES

Recent auctions of Canadian mining shares at New York, Boston, Philadelphia and Buffalo have been:

2000	Lorrain Consolidated, per sh.	7c.
2000	Lorrain Consolidated, per sh.	6c.
2000	Columbus Kirkland, per share	4c.
4000	Columbus Kirkland, per share	3c.
1000	Night Hawk, per share	6c.
1000	Night Hawk, per share	6c.
2000	Lakeside Lorrain, per share	5c.
1000	Preston E. D., per share	4c.
50	Foster Cobalt and 5,800 Great N. Silver (lot)	$2

MINING STOCK QUOTATIONS
Week Ending June 28

	High for wk.	Low for wk.	Close June 28	Close June 22	Sales for wk.
Amulet	1.40	1.27	1.33	1.27	98840
Apex	3	3	3	3	1000
Algonquin	1¼	1¼	1¼	2	1500
Argo. Cons.	20½	19½	20	20¼	28500
Area	29½	26	26	30½	9000
Baldwin	2¾	2¼	2⅝	2¾	36500
Barry Holl.	48½	46½	47	48	22850
Beaver	76	75	75½	75	18500
Bidgood	6¼	5	5	6¼	7500
Boston Creek	2½	2½	2½	2½	4000
Bourl.	10.00	9.95	9.95	9.95	1580
Buckingham	3	2½	3	2⅛	93000
Can. Lorrain	92½	90	91½	90	31530
Capitol	35½	34	34	34½	3550
Castle Tre.	1.45	1.42	1.45	1.45	11750
Chaput H.	8	7	7	7½	6500
Clifton	2	2	2	2	2000
Coniagas	3.75	3.50	3.70	3.25	525
Coniar'm	3.50	3.50	3.50	3.40	250
Col. Kirkland	3½	3	3¼	3	15500
Cons. Sm.	210½	207½	210	211	2002
Cons. W. Dome	15	14	14¾	14¼	29038
Cr. Reserve	9⅞	9	9	10	41600
D. Mines	14.50	13.50	13.50	14.30	5105
Dupuy	36	32	32	35¾	14000
Don Rouyn	33⅞	30	31	34	9100
Everett	6½	6	6	7	10000
Gold Hill	49	47¼	48	48	51056
Goldale	28	25½	27	25½	13200
Gold Reef	2¼	2	2	2	5000
Gladstone	41	41	41	40½	300
Hollinger	19.90	19.65	19.90	19.75	2150
Hunton	13½	9	10	13½	29750
Indian	5½	5½	5½	5½	8000
Inter. Nic. c.	36¾	35½	35½	36⅞	635
Keeley	1.45	1.40	1.43	1.40	19250
Keora	7	6½	6½	6⅛	34100
Kirk. Lake	1.06	1.04	1.05	1.04	30000
Lakeside	4	3½	3½	4	18100
Lake Shore	11.45	11.26	11.35	11.40	1240
La Rose	12	11½	12	12	9200
Lorrain	3⅛	3	3	3	13200
Laval, Que.	27	25¼	26	25½	34300
McKinley	16	12⅝	16	14	23600
McIntyre	25.30	25.00	25.30	25.05	1935
Millcrest	12	11	12	12	2700
Mining Corp.	3.60	3.56	3.56	3.58	5300
Moneta	15	15	15	15	1000
Noranda	15.30	15.00	15.05	15.10	15847
Nipissing	5.55	5.30	5.40	5.25	2005
Night Hawk	7	6	6	7	2200
Pete. Lake	3⅜	3⅜	3⅜	3½	4000
Porc. Crown	7	5	7	5	11600
Premier Gold	2.15	2.05	2.05	2.15	4425
Preston	8	4½	6¾	5	168350
Teck Hughes	3.65	3.61	3.62	3.62	56790
Timiskaming	11	11	11	11	3000
Tough Oakes	41½	40	40	42	11000
Rouyn	3	2	2	3	6950
Vic. Silver	7	6	7	6	8000
Vickers	38½	37	37	36	1200
Vipond Cons.	1.77	1.70	1.72	1.72	27400
Wakenda	2¼	2	2½	1½	5500
Stadacona	42¼	41	41	41	24575
West Tree	3	2	3	2¼	7500
Wettlaufer	6½	6	6½	6	10500
Wright Har.	8.45	8.35	8.35	8.20	250

Imperial Oil Will Start Fourth New Alberta Well

Imperial Oil has taken over the Dingman leases, 5,648 acres, covering the Highwood structure, south of Turner Valley, and will drill there. This will be the fourth new well Imperial has started in Alberta this year.

The Highwood area was originally selected by A. W. Dingman, pioneer oil man of the Turner Valley field, who gathered together in a company called the Highwood Petroleum and Natural Gas Company leases totalling over 5,648 acres. Subsequently, this company made an arrangement with the Imperial Oil, Ltd., whereby for certain considerations of division of shares in a new company the leases were assigned to the Imperial under a development contract.

These lease holdings cover a narrow strip of territory extending generally north and south along the fold, a distance of a little over 20 miles. This blankets the structure, which is an anticlinal fold, very similar to the Turner Valley structure.

PREMIER NOT NEAR WORKED-OUT STAGE

Not Reason for Low Price of Stock Says Vancouver Authority

Many associate the low price of Premier gold mine shares with the idea that $2.20 per share for a mine paying such dividends—the yield is 15 per cent.—can only mean that it is nearing an end. This is far from the truth. From a fairly reliable source of information comes the statement that the mine has $5,000,000 in broken ore reserves. Clark & Co., Vancouver, state that they have it from a reliable source that without any further discoveries, this company will no doubt be in a position to continue the present dividends for at least the next five years, and very likely a long time beyond this. The reason for the present low price seems to be to a certain extent the lack of ability on the part of British Columbia investors to realize that a company of this kind can continue the payment of such large amounts, year by year. The present dividend which has been declared, of $400,000, brings the total disbursements of this company to over $10,000,000. The yield is about 15 per cent. on the amount invested. In addition to their property the very substantial interests which they hold in B. C. Silver gives the Premier a very strong position, probably unequalled by any other company of its kind in Canada.

Some additional information on Premier was given at the London, Eng., meeting of the Selukwe Co., which controls B. C. silver adjoining Premier. Cromwell Hackley, chairman said:

"The most important mining achievement is that we definitely proved close to the centre of the property, a recurrence in the ore zone of high grade chutes similar in character to the high grade chutes existing on the Premier mine. If we add the ore disclosed in blocks C and D we get a total run of pay chutes of well over 1,000 feet of exceptional width and high value. Comparisons, we are told, are odious, but it may be useful to shareholders in estimating the ultimate success to recall that our neighbor, the Premier, have recovered something like $30,000,000, out of which they have distributed to their shareholders, upwards of $9,000,000 from one small area, less in extent than 50 acres, and that the ground over some part forms the upper levels of planes in which the Selukwe is interested." There is no doubt of the value of this great property, which will likely produce results similar to the history of the Premier mine.

Smelters May Take Up Renfrew Base Metal Area

It is understood that Consolidated Smelters is looking over the lead and zinc property at Renfrew which it was recently announced had been optioned by British Metal Corp. from Ottawa Valley Mines. It is understood that the terms were considered too stiff and British Metals, after doing some diamond drilling threw up the option. Previous drilling, it is said, gave encouraging values. It is understood that particularly good values were obtained in one 97-ft. hole.

Coniagas mines examined this property some time ago.

MAKING GOOD PROGRESS

Major Cunningham-Dunlop, handling Dunlop Syndicate and Toronto Red Lake properties in Red Lake, is back in Toronto, reporting on work done on these properties. Free gold has been found on the first group and a series of quartz-porphyry dykes on the latter.

Keep Posted on Red Lake

The eyes of the investing public are intently focussed on the activity in the Red Lake district, which is heralded as the next big gold camp.

Profit possibilities are immense at this stage of development, and you can keep informed on investment opportunities by reading

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DOME ORDERING PLANT FOR HOWIE RED LAKE GROUP

Directors Hold Meeting and This Was the Likely Subject of Discussion

Dome directors met in Toronto this week, reports say, to discuss the Howie operation and the question of further payments. As the next one is months away, this seems a little premature. It may be that the scope of the operations on the Howie was under discussion. There is a feeling that Dome has now enough information from diamond drilling to warrant going on with underground development.

An official statement issued by Secretary Alex. Fasken:

"The directors met on the 28th inst., and had the fullest reports on operations to date on the Howey claims laid before them, and fully discussed with the general manager, and with the geologist, Douglas Wright. The data to date is not sufficient to enable the directors to say at this time that the property will justify the option being carried out when the times comes, but, in the meantime, results on this property and on the claims of the Red Lake prospectors, will be carefully watched to enable the directors to come to a decision, before December 1st, when a payment on the Howey Claims has to be made."

It is since reported that following the meeting instructions were issued for the ordering of a mining plant, and that tenders for the same are to be called for at once.

RUMORS ABOUT GOUDREAU

Little is heard of the success being met with on the Goudreau Gold Mines, the original venture in the Goudreau country. The mill has been erected and power supply secured but no information has come out of late. There are rumors that the amount of commercial ore available for the mill is very limited.

1925 ZINC OUTPUT $2,000,000 HIGHER

Ontario and Quebec Operation Added to Big B.C. Output

Finally revised statistics on the production of zinc for 1925 as reported by the mining, metallurgical and chemical branch of the Dominion Bureau of Statistics show that Canada established a new high record for the production of this metal with a total of 109,268,511 pounds (54,634 tons) which, valued at the average St. Louis price for the year of 7.622 cents per pound, was worth $8,328,446. Compared with the 1924 output of 98,909,077 pounds (49,455 tons) valued at $6,274,791 the increase amounted to 10.4 per cent. in quantity and 32.7 per cent. in value.

The greater part of Canada's zinc production is made up of the metallic zinc produced by the Consolidated Mining and Smelting Co., of Tadanac, British Columbia, from ores of the famous Sullivan Mine of Kimberly, British Columbia, which is owned and operated by them. The remainder is made up of the other zinc ores of British Columbia which are shipped to the smelter at Tadanac and from the zinc estimated as recoverable from ores and residues exported for treatment in foreign smelters.

Exports of zinc concentrates from the mines in the vicinity of Notre Dame des Anges, Quebec, were considerably increased during 1925 and the Galetta lead mine situated in Carleton County, Ontario, reported an export of zinc concentrates also. The figures:

Provinces	1924 Pounds	1924 $	1925 Pounds	1925 $
British Columbia	96,000,069	6,090,244	99,152,966	7,557,439
Quebec	2,909,008	184,547	9,936,000	757,322
Ontario	....	....	179,545	13,685
Total	98,909,077	6,274,791	109,268,511	8,328,446

B.C. Mineral Output Leading All in West

British Columbia is in the forefront now in western mining, leading all the Pacific Northwest States in value of output in 1925. The figures:

British Columbia	$63,135,000
Montana	60,800,000
Idaho	31,815,000
Alaska	17,850,000
Yukon	1,540,000
Washington	1,065,000
Oregon	430,000

Goudreau Area is Being Mapped by Ontario Geologist

T. L. Gledhill, geologist of Ontario department of mines, is in Goudreau area preparing detailed maps of the gold bearing portion of the Michipicoten-Goudreau area.

Gledhill and his assistants are commencing work in the area of the Murphy Mine, operated by the Goudreau Gold Mines. The district, says Mr. Gledhill, shows much promise, with gold at Wawa Lake, Murphy Mine; Cline, Canadian Gold Mine, and the Emily Mine on Dog Lake. Large and important deposits of iron ore and iron pyrites are also distributed over the area.

Mr. Gledhill agrees that this area is one of the largest Keewatin greenstone troughs in Ontario that carry important mineralization. Prominent mining companies, he says, are giving the area serious consideration.

THINKS C.I.M.M. is DEGENERATING FAST

In 15 Years Will Be Kind of a Dorcas Society, Says Wrathful Member

The change in the nature of mining engineers' conventions is lamented by a correspondent whose letter is published in the Bulletin of the Canadian Institute. Formerly, he says, in effect, the meetings of the institute were something like: real miners got together and talked mines and mining: "geologists and professors were also there, and contributed some high-brow papers which nobody understood but which looked good in print." Now, however, according to the writer, all is changed: the meetings have no longer any kick. "They are not even bad enough to be interesting." The attendance is largely from government employees, college professors, and the representatives of mining-supply firms. And the crowning blow is, for the banquet, the dinner-dance! In fifteen years, the lament continues, the Canadian Institute "will cease to be a mining institute. It will be a kind of Dorcas Society."

Wisely the correspondent does not sign his real name, hiding from the righteous wrath of those whom he regards with ennui, under the pen-name of Old-Timer. What he wants to do is to move the institute headquarters from Montreal to some place nearer the mines: have the annual meeting in the summer: and have an old-time banquet (no ladies); also get more real technical stuff on mining from the big mining companies.

Comment upon such a letter would be as superfluous as upon Secretary Mellon's recent analysis of the McNary-Haugen farm-relief bill, says Mining Journal Press. The comment is all included in the communication. The world is small and problems parallel; and some analogies of the gentle evolution of which the writer complains in Canada might be traced on the south side of the longest unfortified frontier in the world. More definite discussion is delegated to some other correspondent, who may, if his communication appears reasonable, also observe discretion (if his real name be imparted, under the most solemn promises of secrecy and protection), and be privileged to write behind the armor of a pen-name.

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ANOTHER OPERATION ENTERS LIMESTONE

Illinois-Alberta in Turner Valley Encounters Flow of Light Oil

Illinois-Alberta, like McLeod 2, is now drilling in the sandstone in Turner Valley field, south of Calgary. When the drilling bit penetrated the dolomite two feet, a light green oil rose up in the casing. This is regarded as another important step in charting the sub-structure of the field proving at least a rectangular area founded by Royalite 4, McLeod 2 and Illinois-Alberta. It is believed that the cementing of the casing will now be done before further drilling.

Little gas has been struck by the well, as it has not drilled deep enough into the limestone to meet this. The McLeod well got a similar flow of green oil when the first foot or two of the cap rock had been penetrated, and a little lower got considerable amounts of gas. As the Illinois-Alberta does not intend to carry on any more drilling until expert advice, with full government authority, is obtained about cementing, it is probable that this task will be accomplished with little difficulty.

Once the casing is set drilling should continue speedily at the well since the drillers will not need to trouble about underreaming or casing the hole.

New Maisonville Find is Quite Interesting Looking

The new find made in Maisonville Tp. by a prospector for the Bennett Mining Co. is reported to be quite spectacular. The vein has been opened for 50 feet and the break or fracture shows a width of four feet. There is much free gold. The fracture is along the edge of a 35-ft. porphyry dyke. There has been a great deal of staking as a result of the find and has extended into adjoining townships. West of Maisonville in Lee Tp. a find of free gold with telluride showings have been found.

Keora's Shareholders Have Ratified Reorganization

Porcupine Keora Mines shareholders have ratified the proposal to sell the assets to Keora Mines Ltd. The new company will be capitalized at $3,000,000 and old shareholders will receive one new for two old, leaving 1,000,000 dollar shares in the new treasury. It is understood that negotiations for refinancing have been going on in the interim and an early announcement on the financing is to be expected. This should be followed quickly by the resumption of operations on the Calcite Lake, Gowganda, property.

BENNETT LOOKS GOOD

The new vein which has been cut at 250 feet on the Bennett property at Sesekinika is reported looking excellent. Three feet of it looks like excellent ore with the other two feet fair. It is expected that important results will be met with in lateral work.

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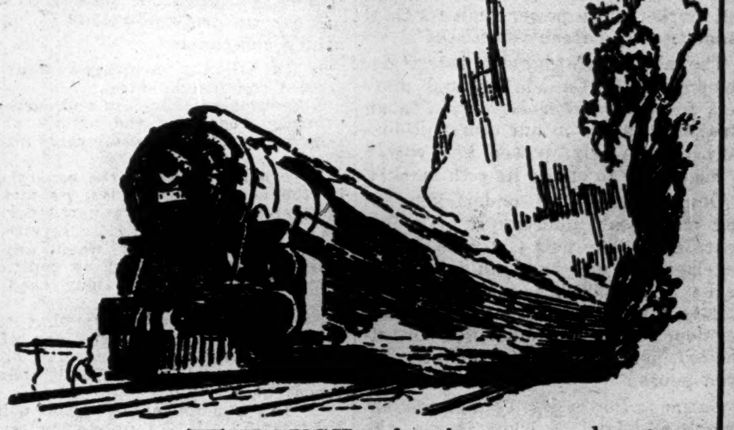

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The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

TORONTO, JULY 2, 1926

OTTAWA'S STANDARDS

TRAGEDY stalks in the wake of moral illiteracy among national leaders. One of the most mischievous and corroding influences of tainted political jobbery is its effect upon the youth of the land. Youth's idealism cannot long defend itself against grossness in high offices of state.

A leader in child education work remarked the other night that "recent fumes from the sump of capital politics have enshrouded the leaders of youth in gloom. "How can we bring up the children of Canada to high motives, to confidence in the rightness of the body politic, to ambitions of service to the state, when the leaders of the day are guilty of corruption or of condoning corruption?" she asked.

Playing political security against moral issues has gone too far in the period of reaction from the war's strain and restraint. It is time to lean backwards.

MARKETS FOR POWER

FIFTEEN years ago the Shawinigan Water and Power Company was finishing its transmission line from Shawinigan Falls to Montreal. The company had then a total capacity of 40,000 h.p. The street was amazed at the audacious programme of the company and wondered if it would ever be able to sell 40,000 h.p. of electrical energy, especially as other power plants were each bringing a few thousand h.p. on the market.

Shawinigan is now developing and selling 260,000 h.p. from its Shawinigan Falls site. It is handling the sale of over half a million horsepower from its own plant and various subsidiaries. Its market is continually expanding and each year it brings on the market more power than its total capacity only fifteen years ago.

The ability of gigantic power developments in Canada to find markets for their power is written in an amazing chapter in our economic history. Seemingly, power has within it the ability to create its own market.

Developments are undertaken today on a scale undreamed of a few years ago. The new Gatineau Power development will have an initial capacity of 380,000 h.p., yet between 85 and 90 per cent. of the power to be developed has been contracted for, although not a yard of concrete has been poured.

Gatineau Power will be a bigger development than Muscles Shoals, the Mississippi River Power Company, or Shawinigan Falls, and will rank favorably in size with Niagara's mighty plants.

JULY FIRST AND FOURTH

THERE has been raised at times a cry against capital from the United States coming into Canada on the ground that it entails the Americanization of our country. The Financial Post has never agreed with this sentiment. It has felt that business relations need have no bearing upon political relations; that the two countries can be on friendly terms without impairing their national identity. That the investment of American capital may even lead to better relations, and a better understanding between the two countries, is indicated by the following editorial from the July issue of International Paper Monthly:

When celebrating Dominion Day in Canada and the Fourth of July in the United States, the peoples of these two great nations should also reflect on the many years of friendship which have knitted their countries so closely together.

In all history it is difficult to find a parallel of two nations with a common unguarded border of such length living harmoniously together for such a long period of time.

Our countries are largely sprung from a common stock, and they have common traditions, common problems and common aims. Those who live on either side of the boundary should always cherish their international friendship as sacred.

It should be gratifying to each one of us who works for the International Paper Company to know that he is contributing his share of the success of a company whose properties and interests represent alike the United States and Canada, and constitute one additional link in the chain of common interests that reinforce the friendship of the two countries.

At this season of the celebration of the natal days of Canada and the United States, the International Paper Company" expressed sentiments with which business and finance in both countries are generally in accord.

WHAT MIGHT HAVE BEEN

IN AN article in the New York Times on world migration, the following paragraph appears:

"The United States appears to possess magnetic attraction for British migrants to this continent. In the course of about fifty years nearly 6,000,000 people left the British Isles for Canada; but many of them refrained from making permanent homes in the Dominion. Had they remained the population of Canada, it is estimated, would be nearly twice its present number."

Indeed, the saddest words of tongue or pen are these: It might have been.

OUR PEACE IN STEEL

CANADIANS bought freely of recent issues of German steel securities. One such issue, marketed in January at 94, has shown an advance of ten points in the intervening period. No basic steel security in Canada has shown any such advance of late.

Is it necessary to elaborate the moral? Canadian capital, attracted by a sound opportunity, is going into the building up of a dominating steel trust on the continent, a trust bigger than the Krupp, Stinnes or Thyssen groups, since it combines them all in one. Yet Canadian capital will not invest in the Canadian steel industry under present conditions. The largest steel industry in the country, it is in fact the largest industrial organization in all Canada, is crumbling into the dust.

Canada's opportunity to remain a factor in the iron and steel trade of the world, to create investment possibilities at home in steel, lies in the strengthening of the coal and iron industries of Nova Scotia. Governmental co-operation to insure this should not be lacking.

GOODWILL INSURANCE

PUBLIC utilities, once the object of violent political and journalistic attacks, are learning that frank publicity, informing leaders of public thought, is their true insurance against unfair influences.

It was a public utility man himself who told the Advertising Clubs of the World, in their Philadelphia convention last week, that "a company that has, through advertising, won the goodwill of the public, is more likely to retain its position in the community as an important business enterprise than a company that does not advertise and, therefore, does not have the hold upon the residents of the city that the former company has."

This speaker, Frank L. Blanchard, of New York, an official of the Doherty enterprises, mentioned eight specific purposes for which advertising can be profitably used by public utility companies:

1. To sell the company's securities, service and merchandise.
2. To keep stockholders and customers informed regarding the affairs of the company and thus promote their interest in it.
3. To make known to the general public the company's policies, its methods of doing business, its personnel and its plans for improving its service.
4. To defend itself when unjustly attacked, and especially by politicians who hope to promote their candidacy for office.
5. To oppose legislation that would hamper the physical operations of the company, or impose financial obligations that would be unjustly burdensome.
6. To promote public good will by encouraging thrift, promoting safety, building up commercial enterprises and helping to make the city a better place in which to live.
7. To give reasons why it has applied to the state utility commission for permission to raise its rates.
8. To present arguments for the renewal of its franchise.

U. S. HISTORY RE-WRITTEN

ANTAGONISM to Britain has been a dominating note in the public school histories of many of the United States down through a century. George III has been the bête noir of the American common school. Braddock, Burgoyne and Cornwallis have been fair to middling ogres and the Boston tea party has been a prank to rank with Pickett's charge. This has all been natural, considering the frailty of human nature, whether American or Canadian.

Now it appears that a new group of histories of the United States, for use in the public schools, is making its appearance. The world war put the old geographies in the same class as a car without a self-starter and it made the old school histories as out of date as a phonograph with a horn. The histories, it would seem from various reviews of them we notice in the American papers, have considerably upset the old lines of antagonism. Britain comes in for more friendly attention. The Kaiser takes fat George's place in the ducking stool; Von Tirpitz and one Hindenburg now outrank, as objects of scorn, those other Germans who drank too much Christmas liquor the night that Washington crossed the Delaware.

We wonder what some Anglophobe newspapers think of the new histories. Perhaps they have not seen them yet, their editors being more interested in divorces, scandals, bobbed hair and hootch, evidences of modern civilization, than in the records of other days.

PUBLIC OWNERSHIP WANES

A TOTAL of 269 American cities either sold electric lighting plants to private corporations or closed them down during the past year, according to a power survey just completed by the National Electric Light Association. This brings the total number of municipal plants abandoned since the wane of the move for public ownership in the United States to 1,129 plants.

Canadian municipalities will do well to study this trend in the United States and profit by the lessons of American cities. It has been found that the biggest reason for the failure of the municipally-operated plants in the great advance in the art of manufacturing electricity. While municipal plants stood still, private plants installed new equipment, enabling them to get from a ton of coal three times as many kilowatts of electricity as the average municipal plant obtained.

The survey also disclosed—and this is particularly emphasized by Public Service Magazine—that workmen for private corporations were found to be three times as efficient as politically-appointed employees in municipal plants, who counted on political pull to hold their jobs, and, therefore, watched politics more closely than their electrical power output.

EDITORIAL NOTES

GREECE is looking for loans in the United States. Canada found Greece a slippery borrower.

* * *

"THE Man from Toronto," who is creating a stir on Broadway, must be one of those Canadians driven out of the country by tariff monkeying.

* * *

FIFTY per cent. of the retail business of Russia is now in the hands of private traders. Russia must be getting ripe for another Soviet economic slaughter.

* * *

IN ONE year the fruit and vegetable canneries of Canada used $6,900,000 of raw materials. Of this, $3,400,000 was spent for cans. At that rate, every garbage heap is a gold mine.

* * *

BONDS are offered to build a new motion picture studio in Los Angeles. Fortunately, purchase of the bonds does not involve the necessity of sitting through all the pictures that will be produced.

* * *

THE president of Venezuela advertises his annual address in American business papers. He shows the way to Henry Ford, who says that all advertising is waste and has cut out the big campaign initiated by the American Ford Company a few years ago.

* * *

THE vigorous campaign conducted for the past two years on weed eradication will be continued this summer in Alberta. Fourteen supervisors have been named by Hon. Geo. Hoadley, minister of agriculture in the provincial government; they will have charge of the activities of the weed inspectors in the various municipalities. This is the practical kind of work in which governments can give most effective direction and assistance.

Current Opinion

CANADA LEADS IN FLOUR

Kingston Whig.—Canada has stepped ahead of the United States in flour exportation, and it is very likely to hold that position for some time to come. Its wheat production has grown by leaps and bounds, while its home consumption of flour is comparatively small, owing to its limited population. So to-day this land has entered the lists of one of the great feeders of the world, and from its food exports is certain to reap large profits which should make for a greater and a lasting prosperity.

Fifteen Years Ago

Extracts from Files of The Financial Post.

July interest and dividend payments total $18,100,000, according to The Financial Post's summary.

Wm. Davies bond issue over-subscribed in one day.

Hudson's Bay Co. buy site for Victoria Store.

Dominion Steel does record business.

First gold coins to bear head of George V made from Hollinger gold.

Robert Meighen, president, Lake of Woods Milling Co., protests plethora of mergers.

Land in Lawrence Park, Toronto, put on sale by Dovercourt Land, Building and Savings Co.

Whitley Plan a Success in the Plants of Besco

Despite Strikes and Activities of O.B.U., Constructive Work Has Been Done to Make Employees Faithful and Satisfied

PENSION PLAN PROVIDES FOR OLD AGE OF MANY

By J. W. Tyson

Industry in no place in Canada has faced greater difficulties because of labor conditions than in the various mining and steel making enterprises forming the British Empire Steel Corporation in Nova Scotia. There have been strikes and rumors of strikes and the industry's output has been seriously interfered with. And apart from the issues between the United Mine Workers, the steel workers unions and the corporation, in the settlement of wage and other issues, there have been the damaging activities of the Reds through the One Big Union. Recently the air has been cleared to a greater extent than for some years by the Duncan inquiry and subsequent recommendations which have enabled the coal company and the miners to reach a working basis which has resulted in a much more satisfactory scale of production at the mines, substantial pay envelopes for the miners and an increasing measure of prosperity for the community. Unfortunately, because of economic conditions, the conditions in the steel plants are not so good, although employees relations are generally satisfactory.

In spite of the contentious issues which have arisen between Besco and its workers, the corporation has for some years been working out some very constructive plans for the improvement of employee relations. These are chiefly applicable to the steel plants and the measure of success attained has undoubtedly been responsible for the better situation in the various steel works as compared with the mines. A works council along the lines of the Whitley plan, which was evolved in England, has been organized with satisfactory results and the subsequent adoption of similar methods of employees' representation at various units of the corporation have indicated to employer and employee the possibilities of these and kindred plans. From 1919 to 1923 numerous suggestions were considered and discussed by workmen and officials at Sydney, culminating in August of the latter year with the election of thirty-six representatives, constituting the first General Works Committee under a tentative plan which had been selected. This preliminary plan, with very few changes, was later ratified on behalf of the employees by the General Committee. The salient features of the plan may well be outlined:

Representation

Each department elects one representative for each one hundred employees or major fraction thereof.

Any employee (excluding those above the rank of assistant foreman) twenty-one years of age or over, is eligible for election as a representative, provided he has been continuously in the employ of the company for six months immediately preceding the date of his nomination and has a total of twelve months service with the company.

Committees

There are three principal committees, the general and central works committees, consisting of employees only, and the joint committee, which, as the name implies, is composed of employee and management representatives.

Thirty-six employees elected as indicated above, constitute the general works committee, and the members of this body select from their own number a chairman, vice-chairman and secretary, as well as an executive or central works committee consisting of nine members including the chairman, vice-chairman and secretary. This central works body, together with representatives appointed by the general superintendent from his staff of officials, constitute the joint committee. The representatives appointed by the management may equal, but not exceed, in number the central works committee.

Three subcommittees were formed:
(a) Rates and conditions.
(b) Safety, compensation and benefit.
(c) Personnel, which has under its jurisdiction all matters affecting employment, promotion, discipline and discharge.

Meetings of committees are held at least once a month on the company's premises, and time with pay is allowed.

Absence of Expense

A notable feature of the scheme is the entire absence of expense. There are no fees, dues or charges of any kind. The representatives give their time, outside of working hours, without any recompense other than the satisfaction of promoting the interest and welfare of their fellows. Any part of their working time that may be spent in attendance of meetings of the council, or any of its committees, is included in the company's pay-rolls.

How the Plan Works

If a workman has a grievance which he cannot adjust to his satisfaction with the foreman of his department, he no longer nurses his "grouch" until it becomes a sore, or awaits a favorable opportunity to interview the superintendent, or make a trip to the "office," but goes immediately to the representative of his department, who then assists him to present his case in the following order:

1. Foreman.
2. Superintendent.
3. The general works committee (or) standing sub-committee.

When the matter in dispute reaches the committee concerned, they consider it fully, and if in their opinion a wrong has been done, and they are unable to offer any suggestion whereby it may be righted, they refer the question to the central committee, who in turn bring it up for discussion at the next meeting of the joint body. Should the decision of the latter fail to satisfy all concerned, the constitution provides that "the president of the company shall then be notified and with due consideration to the nature of the controversy the president may refer the matter to arbitration."

Some idea may be given of the variety of matters which have come up for discussion. Apart from individual cases, or those only affecting one or two employees, the committees have interested themselves in welfare work and safety campaigns, and have assisted the superintendents in their endeavors to assure a fair distribution of work during slack and idle periods. Special committees have gone thoroughly into the matter of cost with the management, and have been taken into the confidence of the company in the arrangement of operating programmes. During the Christmas season, Christmas cheer was dispensed through the medium of representatives to needy families who would otherwise be forgotten. From time to time round table conferences are held at the request of either management or the men, and frank discussion invariably results.

Evidence of the interest of the workers in the plan, and their satisfaction with the benefits, is to be found in the fact that in elections in recent years in 11 plants an average of 93 per cent. of the whole number of employees voted.

Pension Fund

Besco has worked out a pension plan which is giving satisfaction to both the corporation and the men. Since it was put into operation in 1924 over 175 pensions have been granted. Of these 20 have lapsed, leaving over 150 in force, entailing an annual expenditure of over $50,000. The ages of the pensioners range from 65 years, which is a minimum, to some who are quite advanced in years and who, except for their pensions, would be without any means of support in their old age. A number have passed their eightieth birthday, and one veteran had reached his eighty-seventh year when he gave up work. Some of these men have remarkable records of service, ranging from the fixed minimum of twenty-five years to as long as sixty-seven years. One man took his pension at eighty-three after sixty-five years service.

The pension fund is regarded as justifying its existence and doing what its promoters hoped it would do; it is giving the older men something that makes it possible for them to give up work in their declining years without feeling that they must depend on others.

The following table is a summary of pensions granted and in effect at the end of 1925, as they relate to the several companies included in the corporation, and of the amounts paid from the fund since its establishment:

	Number Granted	Number Lapsed or Suspended	Number in effect	Amount paid
Dominion Coal Co.	80	10	70	$37,889.07
Nova Scotia Steel & Coal Co.	61	6	55	20,506.30
Acadia Coal Co.	22	1	21	11,795.20
Cumberland Railway & Coal Co.	17	5	12	3,068.00
Dominion Iron & Steel Co.	20	4	16	4,079.75
Eastern Car Co.	4	1	3	402.25
	204	27	177	$77,740.57

Below is a statement of the numbers of pensions granted to employees of the various companies according to age at retirement:

	Up to 65 years	66 to 70	71 to 75	76 to 80	81 to 87	Total
Dominion Coal Co.	10	31	26	8	5	80
Nova Scotia Steel & Coal Co.	3	31	13	13	1	61
Acadia Coal Co.		9	10	2	1	22
Cumberland Railway & Coal Co.		7	5	5		17
Dominion Iron & Steel Co.	3	9	4	3	1	20
Eastern Car Co.		2	2			4
Total	16	89	60	31	8	204

Mutual Benefit Societies

The establishment and maintenance of associations of employees for mutual assistance in sickness or other disability has been encouraged and assisted by many of the companies now included in the corporation. Some of these have been remarkably successful and in addition to building up quite respectable reserves have distributed large amounts to their members in times when they have been in need of assistance.

Most of them are managed by committees chosen from the membership with little or no interference by company officers, but some find it helpful to have one or two company men on the managing committee. As a general rule this only happens when the company makes some considerable contribution to the funds of the society.

One of the most successful of these associations is the Steelworkers Mutual Benefit Society maintained by the employees of the Dominion Iron & Steel Company. This has been in continuous existence since 1906 and for nineteen years has been doing very good work. It was started with the assistance of a number of the officers of the company which for eleven years contributed to its funds and maintained a well staffed hospital where all injured employees were cared for. Since 1917 the company has made no direct contribution to the funds of the society, but continues to maintain its hospital.

For many years the management of Steel works in Nova Scotia have given much consideration to means for the prevention of accidents and have expended a good deal of money for safety appliances and safety work.

Houses and Rents

No one who is familiar with the housing problem in mining and manufacturing communities will need to be told that it is not an easy one to solve and in mining districts it is especially difficult. Mines are usually put down in places where there are no houses and where there are no landlords to provide them. They must be built as part of the equipment of the mine; they should be and generally are as substantial and comfortable as circumstances permit. There is little opportunity for difference in design and no part of the cost can be expended on unnecessary ornament. They must be as compact as possible with due regard to the number of people they are to shelter.

The Dominion Coal Company and other companies associated with it have given the problem of providing suitable housing for their employees a great deal of attention and they have expended a great deal of money, with the result that comfortable dwellings have been provided for such of their people as are not in a position to provide their own. There are still a number of old houses in connection with some of the mines which were in existence before the Dominion Coal Company was formed, that are not a matter of pride to its property agent, but people will live in them and are unwilling to leave them. It would probably be better for them to move to newer houses and better for the company, as the up-keep of old houses is out of all proportion to any charge that can be made for rent. Some of these older houses are rented for as little as $20.00 a year. There are only a few, not more than forty or fifty; and despite their age many of them are still in fair condition.

The great majority of the houses have been built during the lifetime of the Dominion Coal Company, and several large groups are comparatively new. The favorite type is a two-dwelling semi-detached house, each dwelling having five or six rooms. There are however a large number of detached single cottages with four and five rooms. All have more or less ground about them.

The average rental is about one dollar per room per month; a six room dwelling rents for six dollars and four room cottage for four dollars a month. Most of the houses are supplied with water and electric light, the charges for which are paid by the tenants.

It is a notable fact that a sum larger than the whole of the rentals received is expended each year upon its houses by the company, so that the only charge upon the tenants is in reality a charge for up-keep.

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Due 1932-1942

Principal and half-yearly interest (30th June and December) payable at the City Treasurer's Office, London, Ontario.

Denominations: $1,000

Subject to Legal Opinion of Messrs. Long & Daly.

FINANCIAL STATEMENT

Assessed Value for Taxation	$71,463,218
Total Debenture Debt	15,767,695
Net Debenture Debt	7,367,721
Population—63,339	Area—10 sq. miles

London is the fourth city in Ontario as regards both population and importance, ranking next to Toronto, Hamilton and Ottawa. It is the commercial, financial and educational centre of the southwestern portion of the Province. The City is one of the oldest and most substantial cities of Canada.

At the present there are 234 manufacturing establishments with a capital investment of $39,228,903 employing 8,890, having an annual production of $36,291,350. The manufactures include a wide range of products the principal being stoves, biscuits, candies, rolling mill, motor cars, shoes, pianos and organs.

London is situated in one of the finest agricultural districts in the Dominion.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Grand Trunk Pacific

J. H., Vancouver.—Can you give me any information regarding status of Grand Trunk Pacific bonds maturing in 1963, bearing thereon the guarantee of the government for payment of principal and interest. Is this guarantee in dispute.

There are two issues of Grand Trunk Pacific bonds maturing in 1962. These are undoubtedly the issues to which you have reference, as the records do not show any bonds maturing in 1963. Both of these issues bear the unconditional guarantee of the Dominion Government for payment of both principal and interest. This guarantee is not in dispute and cannot be disputed by the Dominion Government and no holder of these bonds need have any concern whatever as to the security for his issue.

Brandram-Henderson

F. S., Halifax.—I would like your advice regarding a present investment in Brandram-Henderson 7 per cent. preferred, purchased at about 98. Is this comparatively safe?

During the last two years, Brandram-Henderson has experienced a deficit in its income account. For the last fiscal year ending December 31, operating earnings amounted to 103,-296. From this figure there was deducted some $90,000 in bond interest, bond discount and depreciation which left only $12,571 to meet the preferred dividend requirements of $35,000. This feature of the company's situation does not lend any attractions to its preferred stock; however, the company is in an excellent financial position with current assets standing at about three times the amount of current liabilities.

You ask if your investment is comparatively safe. Your answer to this is that we see no likelihood of a cut in the preferred dividends unless the lean years through which the company has been passing should be continued for some time.

Mount Royal Hotel

C. H. W., Lakefield.—Give me an opinion, please, on my holdings of Mount Royal Hotel preferred.

The shares of the Mount Royal Hotel are, of course, speculative. But we believe that the present year will bring much improved earnings to the company. If you can afford to hold this stock for perhaps a year, we believe that it will change hands at higher prices.

Bolivian Power

H. L. F., Port Greville.—I bought some Bolivian Power bonds at the time the issue was first made. Let me have, please, the latest information which you have on this company.

As a company, the position of the Bolivian Power has improved somewhat of late, because it is now a subsidiary of the International Power Company. The bonds are selling about three points higher than the price which you paid, and we understand that earnings are better now than at the time the issue was made.

Federal Distilleries

C. H. W., Ontario.—Please advise me on the shares of Federal Alcohol Distilleries which I hold.

The stock of the Federal Alcohol Distilleries is all closely held. The company has $50,000 in bonds outstanding and 30,000 shares of $10 par value. At the present time, we understand that the market of the stock is anywhere between $5 and $7. You must remember, though, that there is no real market for this stock and that you might wish to sell hurriedly and not be able to obtain a satisfactory offer for your holdings.

The plant has been going about six months and the company is selling some of its whiskey to the Quebec Liquor Commission. It is also in the industrial alcohol business.

This company is in a similar position to the Canadian Industrial Alcohol. If the flow of liquor from this country into the United States should ever be curtailed, it would seriously curtail the earnings of all producers of whiskey. We consider the stock to be speculative but learn that the company is making satisfactory progress.

Brazilian Bonds

D. M., Nova Scotia.—I would appreciate your personal opinion of the United States of Brazil 6½ per cent. external bonds selling at about 90. Would you consider them a safe investment both as to interest and principal?

The new Brazil bonds are a direct obligation of the United States of Brazil and are specifically secured by a first charge on the receipts of the government from income taxes and taxes on invoices and by a charge of consumption taxes, subject to the charge of the eight per cent. loan of 1921. The total revenue derived by the government from the above sources was $117,000,000 in 1924 and $148,373,000 in 1925. After deducting the indicated prior charges from the revenue, which amounts to approximately $11,798,400 per year, there would have remained from above sources in 1925 the sum of $136,574,-600. The service of the present issue of $35,000,000 bonds for both interest and sinking fund calls for $2,625,000 per annum.

As to the future of Brazil, the situation which has depressed conditions for some years, seems to have disappeared. Although the country seethed with sedition for several years, the year 1925 showed that the republic had returned to normal conditions. Moreover, the return was rapid, which reflects credit on the authorities and has significance for the future.

In reviewing Brazil's trade budget, foreign exchange and government, it is evident that Brazil has made good progress towards financial stabilization. Dr. Washington Luiz in the new programme is committed to a policy of economy and a faithful bookkeeping budget balance, with increased taxation if necessary.

A gradual restoration of national currency, free exchange of paper and gold and a consequent stabilization of exchange is part of Dr. Luiz's comprehensive programme.

L. R. Steel

H. L., Windsor.—I hold L. R. Steel Inc., common and preferred. Are they worth anything and if so where can I dispose of them?

The assets of the Steel enterprises were purchased by Steel Consolidated. This is a company made up of former shareholders who subscribed a certain amount of additional funds to rescue these assets from the receiver. There was for some time talk that other shareholders who had not subscribed might be given an opportunity to get in. This might involve the putting up of additional funds. We have not heard of any progress being made along these lines.

C.N.R. Debentures

T. L. N.—The C.N.R., 5 per cent., 1930 debentures are selling at around 62. Would you advise their purchase?

The C.N.R. five per cent. income debentures due in 1930 are a mortgage on the right-of-way of the old Canadian Northern Railways. This is the legal opinion obtained by one bond house. The issue is a lien on the earnings of these sections of the present Canadian National system, but as there have been no earnings from the Canadian Northern sections of the road, at the maturity date you can expect to receive only par for such holdings. Provided the government retains control of the Canadian National Railways, we believe these debentures will be paid in full in 1930; on the other hand, should portions of the road pass to private interests, you might have difficulty in obtaining payment. Reliable bond houses recommend this purchase to business men. You must not forget that there is a speculative element in the debentures, but they indeed look very attractive to us.

Federal Oil and Gas

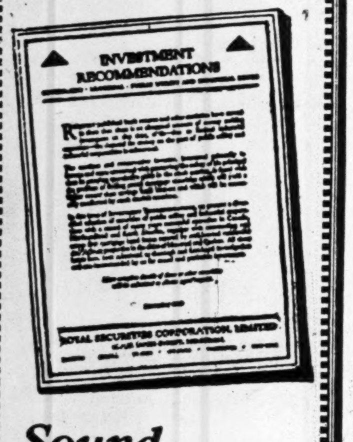
Reader, St. Johns.—Do you know if shares in Federal Oil and Gas are of any value.

Our records fail to show any such company as Federal Oil and Gas Company now in existence. As we do not know whether it is a provincial or Dominion charter we are unable to make enquiries as to whether the company is in good standing or not. There is a company doing business in Calgary by the name of Federal Oils Limited. We would suggest that you write to them as they, trading under that name, might have some knowledge of the fate of the old company.

Bid for St. Anthony Shares

G. C., Ontario.—The writer was approached recently to sell some shares in St. Anthony Gold Mines. Knowing nothing of their value we wondered if you could advise us by return mail.

We know of no reason why anyone should be seeking St. Anthony Gold Mine stock unless they were out trying to get control. The property is idle and the last two groups having an option on it turned it down after very thorough examination. There is quite a movement on foot to re-open a lot of those old mines in the West, and there is much activity in the Sturgeon Country at the present moment, and this may be in a measure responsible. It is impossible for us to get any price on the shares. Many holders regard the stock as worthless.



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POLITICS

(Continued from page 1)

coalesced as they might have coalesced under another Laurier.

In opposition, Liberalism will find unity, many of its leaders believe. Progressives, radicals, Liberals by name and Liberals in idea may find a common meeting ground and will find it, given sane, stable leadership. A stronger Liberalism can be forged in the fires of defeat and fashioned on the hard anvil of opposition, they suggest.

* * *

WILL the next election see the solid Quebec Liberal bloc broken? From Liberal circles in Quebec comes interesting gossip. Leaders of Liberalism in Quebec and leaders of the great church feel that the virtual tide of the last election was a warning. The election did not put the Liberals out of power, but it left them in a position of such danger that defeat was a stark and ever staring danger. Quebec sees possibilities of a Conservative government in power and no representative French Canadians available as cabinet timber. Better to send a group of Tories to Ottawa and be sure of having French Canadian representation in the cabinet than to take a chance of being left out in the cold entirely. This is said to be the thought of leading Liberals, business men and church men in Quebec.

* * *

AMALGAMATION of the Board of Pension Commission with the Department of Soldiers' Civil Re-establishment and the dismissal of most of the present pension board staff is forecast under Conservative regime. Such a move would have the dual motive of economy and politics. Certain dismissals from the pension service, made upon the heels of the government's resignation would seem to indicate that an administrative coup, with the D.S.C.R. swallowing the B.P.C., has been planned to coincide with Tory triumph.

* * *

IT MAY or may not be significant that the Montreal Gazette, in discussing the possible election issues, puts national economy first. In the last election, Meighen avoided this issue, although he had the opportunity of making it the most powerful of his weapons. Instead he hewed to the tariff line. The Financial Post was virtually alone at the time of the last election in making national economy as an issue of vital importance. Does the Gazette's editorial forecast a possible policy for Meighen?

* * *

"THE Evolution of a Woman in Politics" would make a very significant title for an interesting booklet that could be written about the political career of Miss Agnes McPhail.

When Miss McPhail went to Ottawa she was the crusader in shining white armor; the Joan of Arc from the little red school house on the hill. She heard her voices, and they told her that she was going to help lead Ottawa out of political infamy and place good King public virtue upon the throne of state.

Since she has been in Ottawa, Miss McPhail has been more often a power for good than otherwise, but what disillusionment she must have suffered! She has found it hard to be continually the idealist in politics. She has found it impossible to play a lone hand in effecting in a day complete reformation of the morals and ideals of government.

It would seem, too, that Miss McPhail has been dominated too much by J. S. Woodsworth, Winnipeg labor member, who leads them all in radical spirit. Her failure to vote on the Woodsworth amendment in the house suggested a Trilby shaking off a Svengali's hypnotic spell.

Her definite vote against Woodsworth on the next division seemed to make the break complete.

Miss McPhail as an independent would be more valuable to Canada than Miss McPhail under wrong leadership.

Brownlee Worked Way Through College and Into Premiership

John Edward Brownlee, the re-elected premier of Alberta, has a legal background for his public career like so many other of our outstanding men in political life. And, like the premiers of the other prairie provinces — Bracken of Manitoba and Gardiner of Saskatchewan — he was born and reared in Ontario. After attending school in Port Ryerse on Lake Erie and later matriculating from the Sarnia High School, young Brownlee set his mind on attending Toronto University but, like many other ambitious youths who have won their way to success, he was handicapped by lack of funds, and had to seriously consider the problem of ways and means.

It was because of this ambition for a college education and his lack of funds that the now Premier of Alberta made his first contact with the world in a business sense as a book agent. From door to door in Toronto and from town to town by the aid of a bicycle he peddled his literary wares and one summer he worked his way to England to find a market there for his books and at the same time see something of the Old World.

Law school followed Varsity. Brownlee plugged away at his studies, considerably harder than most chaps, for his time for study was limited. He must still make money by the way to carry him through the long course. He sold about everything salable. The old bicycle carried samples of interesting and diverse Canadian manufacturing products.

After being called to the bar, Brownlee offered his experienced services in the selling of goods to a concern which was engaged in the manufacture of "store fixtures." That was just fifteen years ago. He first carried his samples and his order book into the then little-settled northern Ontario districts and, from Cobalt, he reached Winnipeg by easy stages. There followed the long trail to Victoria, via Moose Jaw, Regina, Saskatoon, Calgary, Edmonton, Vancouver.

After this rather broad survey of the land of his birth, Mr. Brownlee decided that Alberta was the province for him. At the age of twenty-five years he hung out his legal shingle before a very modest office in Calgary. The greater part of his professional activities dealt with matters concerning the buying, selling, and mortgaging of lands. His clients, in consequence, were mainly farmers. Being a very human sort of individual, the young easterner made warm friends among his farmer-clients.

When bad times came and the farmers saw their only hope in formulating some system of co-operation the young lawyer tackled the work and helped his farmer clients and neighbors to organize the most efficient co-operative system. When the Grain Growers Limited, and the United Farmers of Alberta were on their feet as an organized industry, he was given the post of general counsel.

Then the farmers organized politically, as well as industrially. In 1921, when the U. F. A., represented by the Progressive group, carried the province, Mr. Brownlee was elected as a member of the legislature, by acclamation, to the seat of Ponka. He was forthwith appointed attorney-general to the province. This was in his thirty-seventh year. When Premier Greenfield resigned the premiership of the province last November, the Hon. John Edward Brownlee, B.A., K.C., became his successor.

POST-Scripts

SPEAKING of signs of the times, the Toronto Harbor Board has erected on its water-front industrial sites a billboard proclaiming "A Million Population Within Trucking Distance." The board thus recognizes the important part now being played by the motor truck in the distribution of merchandise from manufacturer to consumer and the advantages of the splendid system of permanent highways radiating from the city over a large portion of Ontario.

A LITTLE knowledge has quite wisely been said to be a dangerous thing. Likewise a little misinformation in the hands of a reckless political writer may provide ludicrous results. Recently in the Commons on behalf of the government, Hon. W. R. Motherwell, minister of agriculture, advocated a reciprocity policy with the United States whereby the tariff wall would be taken down "brick for brick." A few days later the Edmonton Bulletin, in making an attack on the Opposition at Ottawa, declared: "The end, as shown by the speech of Mr. Meighen, was to force the ministers to resign and make way for a government pledged to impose a brick-for-brick tariff upon the Canadian buyer of imported goods."

Here we have the leader of the opposition blamed for a policy enunciated by a member of the government. However, that is about as close to the facts as the average political campaign fare, at that.

WHILE there has been a great deal of talk about "saving" the world, the United States has been getting ahead with the business of "shaving" the world. World-wide popularity of the American safety razor and the American blades is shown strikingly in figures of commerce department. Safety razor blades accounted for approximately two-thirds of that country's $13,000,000 worth of cutlery exports in 1925, while safety razors made up one-tenth. Exports of American safety razors and safety razor blades during 1925 represent, respectively, a three and five-fold increase over those of 1923.

The British Isles are by far the largest customer for American safety razors. Last year the United Kingdom and the Irish Free State together took 56 per cent. of all such exports and 45 per cent. of the total foreign shipments of blades. France and Germany, according to the report, are also large consumers of American safety razors and blades.

While the safety razor is increasing in popularity in most parts of the world, there are still countries which stick to the straight-edge variety. One of the most outstanding of these is Argentina, whose imports of straight razors are three times greater than those of the safety variety. This condition is explained largely by the fact that the average Argentinian prefers to patronize barber shops rather than shave himself.

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We shall be glad to send full information on any of the following:—

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@ 100, yield 6%.

Alberta Pacific Grain 1st 6's,
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Electric refrigeration will make fortunes for those who keep pace with development and we suggest that you send for a copy of this survey at once.

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First Mortgage 6% Sinking Fund Bonds
Dated May 1, 1926 — Due May 1, 1946
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Fort William Paper Co. Limited is one of an important group of newsprint mills, being controlled by three of the largest newsprint interests in Canada. Earnings have been substantial, assets and working capital are ample, and the Company has the advantage of experienced and capable management.

Price: 98.50 and interest, yielding about 6.13%

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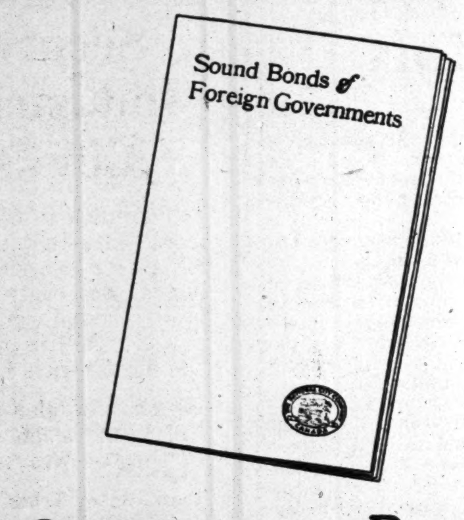

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Foreign Government external issues vary in soundness just as do Public Utility and Industrial bonds, and the same discrimination must therefore be applied as in selecting investments from any other class of security.

We will send, upon request, a list of Foreign Government External Obligations that we recommend as sound investments. With this list we will be glad to enclose a copy of our booklet "Sound Bonds of Foreign Governments" which deals generally with this class of security.

Inquiries from investors who cannot conveniently visit our offices or who are not in touch with our representatives, will receive prompt and careful attention from our Mail-Investment Department.

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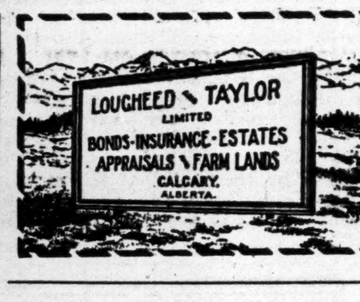

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News of the Investment Market

NEW DEVELOPMENTS BRING TO CANADA AMERICAN MONEY

Montreal Warehouse and Toronto Apartment Hotel Announced

While Canada continues to take advantage of the high yields of foreign bonds to invest sizeable amounts in various foreign countries, the outward flow is small compared to the steady investment of American capital in Canada. Two of the largest new developments, being worked out at the moment, involve the investment of American capital in Canada.

In Montreal, the new terminal warehouse to be constructed there by the same group of people who are putting up the $7,000,000 terminal warehouse in Toronto, is being financed with the aid of New York bankers, who are buying the bond issues. Control will, however, remain in Canada. The Toronto warehouse brought several millions of American money to Canada and the same interests, in financing the merger of twenty Ontario department stores, are selling a large bond issue in the States.

In Toronto, a large new apartment hotel is under discussion and while the names of the principals are being closely guarded, The Financial Post understands that the backers of the enterprise are the Cleveland-Toronto group represented by Harry Rotenberg, Toronto, and Otis & Company, of Cleveland, who have financed the Hobberlin Building, the Federal Building and the National Building in Toronto.

Financing of the Montreal warehouse will involve issuance of $2,400,000 of first mortgage bonds, $1,250,000 of general mortgage bonds $200,000 of debentures, $600,000 of preferred stock and 200,000 shares of common stock. The Canadian Pacific Railway is taking securities in the enterprise for the site, which it has owned and occupied, and its backing is regarded as giving the warehouse assurance of good earnings. It is understood that the C.P.R. has been short of warehouse space in Montreal and readily assented to the proposal of the Montreal Rail and Harbor Terminals to co-operate in the construction and financing of a new cold and dry storage house.

It will have a space area of 600,000 square feet, of which one-third will be devoted to refrigerator purposes, the balance to be used as dry storage for package freight and other merchandise.

The building, which will be 10 stories in height will, it is stated, be completed in 10 months' time, and the roof will be on before frosts commence. It is being financed through Municipal Bankers Corporation of Toronto, who are financing the building of a similar plant in Toronto now under construction by Canadian Rail and Harbor Terminals, Limited. The two plants will work, when completed, in conjunction.

Steamships Financing Improves Debentures

From Our Own Correspondent

MONTREAL.—The debenture stock of the Canada Steamship Lines has risen and has been traded in over the counter at around 92; this compares with sales at 87 recently and a price as low as 77 in 1925. The stock, which is a first mortgage on the property, subject only to some small prior and underlying mortgages, pays 5 per cent. per annum.

The new financing which the company will shortly undertake improves the position of the holders of these securities. There is presently outstanding some $10,000,000 of this stock. Of this figure, about $7,500,000 is held by the trustee for the 7 per cent. collateral bonds. Thus, by the new financing, this company with a new bond issue of some $18,000,000 or $20,000,000, will be able to both pay off the temporary loans which financed the acquisition of the Playfair and George Hall Coal Lines, and also to retire its 7 per cent. bonds. In this manner, the amount of the debenture stock outstanding will be reduced from $10,000,000 to less than $2,400,000.

German Steel Issue Sells Well in Canada

"Vereinigte Stahlwerke Aktiengesellschaft" is not in itself an appealing name to those who have not mastered the intricacies of the European branch of our language, but, literally translated, it means United Steel Works Corporation. Under the latter name, the great German steel merger made its bow to the Canadian investing public this week and there was a very enthusiastic response to the offering of first mortgage bonds, in which Canada participated.

The German steel merger brings together the leading steel groups of Germany in the world's second largest steel corporation. The corporation produces approximately 40 per cent. of Germany's steel and employs 164,000 persons.

Dillon, Read & Co., headed the bond selling syndicate, which included Dominion Securities Corporation. Other Canadian investment houses offered blocks of the bonds.

$30,000,000
6½% Sinking Fund Mortgage Gold Bonds.
Dated June 1, 1926. Due June 1, 1951.

Company—Merger of four leading coal, iron and steel concerns in Germany, viz., Rheinelbe Union, Thyssen, Phoenix and Rheinstahl.

Assets—Total $537,671,800.

Security—First charge subject to $70,600,000 underlying obligations.

Total issue—Limited to $105,000,000, including $30,000,000 to be issued abroad, $41,180,000 reserved to retire underlying obligations and present issue. Further bonds up to 2/3 per cent. of expenditures.

Sinking Fund — Sufficient to retire this $30,000,000 by maturity. $600,000 to be retired annually to Dec., 1938, and $1,800,000 annually thereafter.

Earnings—Net earnings estimated at $28,311,358 per annum.

Offered—June, 1926, by Dillon, Read & Co., International Acceptance Bank, J. Henry Schroeder Banking Corp., and Dominion Securities Corp.

The Price of Public Confidence

It has been remarked that, during the hearing of the charges in connection with the recent Toronto bond scandal against Percy Ham, the names of individuals only have been drawn in; there has been no suggestion that any investment house has lost money as the result of the various transactions.

Without inferring that a number of financial houses have taken steps to protect their names before the public in connection with this scandal, it may be said that even had these houses—rather than the individuals who have appeared—suffered, the proceedings would not have changed so far as the assumption of the losses is concerned. Further, it may be said that had it been left to the financial community the charges would never have been brought against Ham. They were brought by the Crown as the result of the activities of the police and the attorney general's department.

Investment houses will, and sometimes do, suffer heavy losses in the transaction of their business without saying anything about it. Public confidence is one of their chief assets and they will pay a stiff price to maintain that confidence. Banks, likewise, suffer heavy losses as the result of forgeries and other criminal activities and adopt the policy that the least said about it the better. Department stores are similarly desirous of avoiding publicity in regard to the activities of shoplifters and the public only infrequently gets a hint of their losses as the result of police court proceedings.

The losses suffered in the Ham case are not the first of their kind and had the losers had their way they would likewise have ranked merely with the unpublished casualties of the business. The number of those involved and the large amounts aroused the representatives of the Crown to action when other similar cases have had no further publicity than the sub rosa gossip of the street.

Millions are involved in the daily transactions of the financial community of a city. Confidence must necessarily be a factor in the operation of the necessary machinery. That there are losses is not to be wondered at. Keen minds are constantly at work on clever schemes to get money for worthless securities. The investment houses have to constantly be on their guard—and even then sometimes there is a slip.

That the investment houses are so concerned with their reputations and that they will suffer losses rather than face publicity should strengthen rather than impair public confidence. The investors may assume that whatever the risks of the trade they are reasonably protected from loss by dealing with houses with good reputations and with sound financial foundations.

Investment Demand Strong and Steady

The bond market is not paying any attention to the stock market, but is active and strong. The demand for investments has surprised those houses that have new issues ready to offer of late, and some of the issues that have been offered have been taken up so quickly as to upset many a well-laid selling campaign by making it unnecessary. The Page-Hersey bond and preferred stock issues, which were snapped up as soon as offered, were typical.

Beating the Market Not Wisest Course With Bonds

The true investor watches his bond holdings but is not continually 'in and out" of the market, according to "Investment Securities" published by the National City Co. Ltd., which says:

"For those investors who allow the question of price to become paramount and still feel that they have not ventured into the realm of speculation, it should be convincing and helpful to consider how the real investor operates.

"Generally speaking the true investor handles his affairs much like the savings banks and insurance companies. These institutions buy securities only after careful investigation and usually are satisfied to keep them through periods of advancing prices and through periods of depression, disposing of them only when a change occurs which makes them less favorably adapted to their needs. One can readily imagine what would happen to prices if the policy of dumping over bonds to repurchase them later after they have had their decline were really a general investment attitude, and these institutions, owning, as they do, large blocks running up to five or ten million dollars of one security, were to offer their bonds upon the market. They do not, however, follow this course. They do not abstain from liquidating because of any benevolent attitude or any philanthropic desire to prevent a serious market decline, for their first concern is to protect themselves rather than the general public. They leave their holdings undisturbed for the reason that they know that good bonds over a period of years can be depended upon to afford a return that is satisfactory.

"For the same reason the true investor does not value as a fundamental consideration any speculative possibilities which may exist. He knows, of course, that it is a matter of good business to obtain an adequate return on his investment, and that his securities should maintain a market position in line with other issues of comparable type and character. His primary purpose, however, is safeguarding his principal with assured continuity of a fair return and, on this basis, he buys to hold. When all is said and done the passage of each decade usually proves that he has made better use of his money through this plan than have most other buyers who think themselves well informed and have tried to run up and down the market.

"This discussion deals simply with speculative attempts to 'beat the market' and has no bearing on the periodical review of existing holdings and the changing of bonds for investment reasons which are, of course, always in order."

Investment Trust Issue Follows British Plan

The first $100,000 of debentures of Canadian and Foreign Corporation, an investment trust, are being offered by Goldman and Company of Toronto.

The debentures, which pay 5½ per cent. and mature in fifteen years from July 1st, are being sold at par, and there is the bonus of ½ share of common stock of no par value with each $100 debenture.

The business of the new company is to be confined solely to the investment and reinvestment of its capital and surplus in seasoned marketeable securities. The idea is to get diversification of investment for small investors, who will purchase the debentures, and thus copy the systems of investment trust that have been successfully operated for more than half a century in Great Britain and Europe.

The company is incorporated under Canadian laws.

In order to provide for complete diversification, it is provided that not more than 70 per cent. of the total resources of the company may be invested in Canadian securities; not more than 50 per cent. in American and British securities; not more than 35 per cent. in foreign securities, and not more than 50 per cent. in any one particular class of securities. The various classes of securities are defined as railways, steamships, or other transportation; industrial companies, including mining and oil; public utility and hydro-electric power companies; bank stocks, insurance company stocks, or other financial investment securities.

It is also provided that the corporation cannot under any condition purchase or hold control of a company. This is to insure that the company shall be an investment institution and not a holding company.

Earnings of the company will be paid from three sources. First, there will be interest and dividends paid on securities held; secondly, there will be profits on sale of securities from time to time, and, thirdly, income from the reinvestment of the surplus that may be created.

Bloor Building Bonds Offered to Yield 7%

Bonds are now being offered of the new Bloor Building to be erected in Toronto. This structure is going up at the corner of Bloor and Bay Streets to serve the rapidly-growing up-town area that has been created by the opening up of through traffic, east and west, in the heart of Toronto.

The new building will be six stories high, and, besides having offices, will have a large number of ground-floor and second-floor shops for the type of exclusive retailers who have congregated in this district.

United Bond Company, of Windsor and Toronto, is financing the structure and is offering $650,000 of bonds. These bonds, besides having the security of a first mortgage on the building, will be guaranteed by the United Bond Company.

Some of the bonds are being offered in Detroit by the United States Mortgage Bond Company.

$650,000
Central Sites Development Company
Guaranteed first mortgage serial gold bonds
Dated April 15, 1926; Due: $20,000 in 1928; $30,000 in 1929; $35,000 yearly from 1930 to 1935; $390,000 in 1936.

Property—Bloor Building, to be erected at Bloor and Bay Streets, Toronto.

Security—First closed mortgage on land and building. Interest and principal guaranteed by United Bond Company.

Valuation—Property appraised at $1,100,089.

Earnings—Estimated net annual earnings, $100,405.

Offered—July, 1926, by United Bond Company, 4 Imperial Bank Bldg., Windsor, and 297 Bay Street, Toronto, at par yielding 7 per cent. to maturity.

Finance Establishment of Refrigeration Company

A strong group of business men has been brought together to introduce the Ice-O-Matic refrigeration system to Canada. A $300,000 preferred stock issue, to provide working capital for the new Canadian company, is now being sold.

R. A. Stapells, manufacturer of Toronto; Frank E. Maulson, insurance broker; George M. Duck, general manager of Canadian Salt Company, Windsor; H. S. Pritchard, formerly sales manager of Ford of Canada; W. F. Morgan-Dean, formerly managing director of Canadian Toledo Scale Company, and two Detroit business men, comprise the board of the new company, which is called the Ice-O-Matic Refrigeration Company.

Walter T. Smith and Company, of Toronto, are offering $300,000 of 7 per cent. preferred stock with a bonus of common shares.

The new company will manufacture, in a plant at Walkerville, electric iceless refrigeration machines and refrigerant gas. The Canadian company has control of sales in many foreign countries as well as Canada.

$300,000
ICE-O-MATIC REFRIGERATION COMPANY,
7% Cumulative Sinking Fund Preferred Stock.
Par value $100 a share.

Company—Has been formed to manufacture electrical refrigeration machines under Stitt patents. Will manufacture Alcoid, patent refrigerant gas.

Earnings—Estimated net earnings for first year $79,100.

Sinking Fund—Ten per cent. of surplus earnings each year, after paying preferred dividends, to go into fund to redeemed preferred stock at 105.

Capitalization—	Authorized	Issues
7% cum. pfd.	$300,000	$300,000
Com. stock, no par value	shares 9,000	shares 9,000

Offered—July, 1926, by Walter T. Smith and Co., 604 Northern Ontario Building, Toronto, at par with bonus of one share of common stock.

Alexandra Apartments Earnings Show Increase

Alexandra Apartments, Toronto, held its annual meeting this week. Earnings were reported as having reached record heights. For twelve months, net earnings available for depreciation and interest totalled about $44,000, an advance of $5,000 on previous net earnings. Increased earnings were due to improvements and extensions made at the time the property changed hands last year, when an issue of $350,000 of first mortgage bonds was sold.

Quebec Southern Power Corporation

6½% First Mortgage & Collateral Trust, 20-Year Sinking Fund Gold Bonds, Due May 1, 1945

Price: 99 and accrued interest, yielding about 6.60%.

Fully descriptive circular upon request.

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5½% Bonds
Due Nov. 1st, 1945
Interest payable May 1st and Nov. 1st

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The buyer of good bonds, who compounds his interest by reinvesting it promptly, generally will build up a larger fortune than the speculator operating with the same amount of available capital.

Correspondence invited.

F. H. Deacon & Co.
227 Bay St. - Toronto

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CITY OF EDMONTON Bonds

A safe 5½% Investment

The development of the city of Edmonton, capital of the province of Alberta, has been logical. It is situated in the centre of a rich farming area and is close to large coal and oil deposits. The city is the distributing centre for the northern and central parts of the province. Ten lines of railway radiate from it, serving over two hundred towns and villages. Successful financing and management have placed Edmonton on a sound basis. Its Municipal Bonds are in big demand on all parts of the continent.

Write for particulars of our Municipal Bonds

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Notice to Bondholders

The Toronto Bond Exchange Limited

Notice is hereby given that the half-yearly interest coupon of 3 per cent., being at the rate of 6 per cent. per annum, on the 6 per cent. Bonds of this Company will be paid upon presentation on or after July 1st, 1926.

By order of the Board,
W. J. DOW, Secretary.

June 26, 1926.

WILLIAMS, PARTRIDGE & HODGSON LIMITED
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QUEBEC APARTMENTS LIMITED
6½% 1st Mortgage Bonds 1940
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Ernest Savard, Limited
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171 St. James St., Montreal, Harbor 5258-9
71 St. Peter St., Quebec, Phone 2-6486.

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Investment Consultation
If you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.
By so doing you incur no expense whatever, and place yourself under no obligation to us.
Correspondence Invited
R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

TAX SALE LANDS ON PACIFIC COAST ARE SNAPPED UP

Improvement in Realty Values Help to Victoria City

A few years ago Western Canadian cities were burdened with lands taken over because the owners had decided that it would be financially more profitable to give up the lands than to pay taxes. The lands were found to be unsaleable and have remained as non-revenue-producing municipal possessions.

No city was hit worse in this regard than Victoria, B.C. It is therefore, of much significance to holders of Victoria's debentures that the demand for tax-sale lands in that city has been so active that the city has decided to raise the prices asked.

Wealthy California buyers interested in the appreciation of property value in Victoria negotiated recently for title to $16,000 worth of city-owned property. The deal was the largest individual sale ever made by the city lands department.

As a result of the steadily growing volume of bidding for city lands, Mayor Pendray has asked the city lands committee to revise the city's price list in an upward climb to a level more comparable with the prices actually being paid for similar property throughout the city within the last few weeks.

A special record kept by city hall officials shows that considerably over half of the properties changing hands in recent months had passed to new owners at prices well in advance of the assessed value of the land. The indications of definite and continued movements in Victoria property have been noted in marked improvement in the number and value of the sales made both by the city and by private dealers.

Two deals alone made by the private dealers show a total of $70,000 for two parcels of land, one in the city and the other in Oak Bay. Monthly clearances by the real estate board have shown great advances. With buyers again active, the city officials anticipate little difficulty in securing a steady volume of business at prices considerably in advance of the present list prices on city-owned lands.

Bank of Montreal Gets Quebec Province Issue

From Our Own Correspondent.

MONTREAL.—Through the sale this week of a new $7,500,000, 5 per cent. bond issue at 97.167, the province of Quebec is obtaining funds on a 4.66 basis. This compares with a cost of 4.76 per cent. for the last issue which was sold in 1925. The present issue was awarded to a syndicate headed by the Bank of Montreal.

The houses that tendered for this issue were, National City Company and associates; Canadian Bank of Commerce, and associates; Dominion Securities Corporation and associates; L. G. Beaubien and Co., and associates (short issue only), Kerr Fleming and Co., Toronto, and associates (long term only)

C.N.R. Earnings Show Material Increase

Gross earnings of the Canadian National Railways for the month of May amounting to $22,183,304 showed an increase or $3,937,566, or 21.58 per cent., as compared with May last year. Operating expenses at $18,956,938 were higher by $1,111,140, or 6.23 per cent., while net earnings at $3,226,365 compared with $399,939, an increase of $2,826,425, or 706.71 per cent.

For the five months' period to the end of May gross earnings totalled $98,685,109, an increase over the corresponding five months last year of $11,346,028, or 12.99 per cent. Operating expenses were $85,769,526, an increase of $2,605,167, or 3.13 per cent., and net earnings at $12,915,582 showed an increase of $8,740,860, or 209.38 per cent.

UNLISTED BONDS

Abitibi 6% 1940	102	103
Algoma Steel 5% 1962	29¾	30½
Asbestos (Gen. Mtge.) 6%, 1956	84	84½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100	100¾
Burns, P. & Co. 6½% 1943	103⅛	104
Can. National Rly. 5% 1954	101	101⅝
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104¾	..
Can. Pacific Rly. 5% 1934	99¾	100⅛
Can. Pacific Rly. 4½% 1944	93¼	93⅞
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	..	40
Dom. Textile 6% 1949	106½	..
Elect. Develop. 5% 1933	100⅜	..
Frontenac Brewery 6% 1951	97¾	99¼
Fraser Companies 6% 1950	97	98
H. Smith Paper 7% 1941	100⅜	..
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	100¾	..
Prov. of Ontario 5% 1948	101	101⅝
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	103¼	104
Quebec Power 6% 1953	103¾	..
Winnipeg Elec. 6% 1954	96¼	96⅝
St. Maurice Power 6½% 1953	108½	109
Jam. Pub. Service 6½% 1943	102⅛	..
Span. River P. 8% 1941	107	..
Ottawa Mtl. Pr. 6½% 1949	101	..

Digby Goes in for Hydro; Electric Rate Now 20 Cents

Digby County, N. S., is going to borrow up to $75,000 to put in a hydro-electric system. Ratepayers have approved the scheme.

It will be necessary to rewire the town of Digby, and the present steam plant will be used only as an auxiliary in case of emergency.

At present the town is operating the steam plant, and a rate of 20c. is being charged for electricity. The rate is said to be the highest in Canada. The promised rate is 11c. for hydro.

Tenders and By-laws

July 5, Village of Gracefield, P.Q.—$9,000, 5½ per cent., 20 year bonds. Arthur l'Ecuyer, secretary-treasurer.

July 5, School Commissioners of Lasalle, P.Q.—$30,000, 5½ per cent., 30 year debentures. G. Berube.

July 7, Montreal Metropolitan Commission.—$2,000,000, 4½ per cent., 30 year bonds, E. T. Sampson, secretary-treasurer.

July 12, Town of Chicoutimi, P.Q.—$215,000, five per cent., serial debentures. D. V. Morrier, clerk.

July 14, Montreal Protestant School Board.—$1,400,000, five per cent., serial bonds. W. E. Dunton, sec.-treas.

July 14, Town of Shawinigan Falls, P.Q.—$59,000, serial, five per cent. bonds. A. J. Meunier, sec.-treas.

July 16, City of Longueuil, P.Q.—$57,600, five per cent., term bonds. J. A. l'Heureux, sec.-treas.

This Week's Bond Sales

ST. JOHN COUNTY

The tender of Wood, Gundy & Company at 99.60 and interest for $248,500 of St. John County bonds has been accepted. Part of the issue is 20-year 5 per cent. and the balance serial bonds.

PROVINCE OF QUEBEC

The Province of Quebec, through the First National Bank, Bank of Montreal, Kissel, Kinnicutt & Co., Redmon & Co., Hallgarten & Co., Salomon Bros. & Hutzler and Eldredge & Co., offers $7,500,000 or 4½ per cent. 30-year bonds at 98⅝ and interest, to yield 4.60 per cent.

VILLAGE OF FOREST HILL

H. R. Bain & Co. were the successful bidders for an issue of $13,398, Village of Forest Hill, five per cent., 10-instalment bonds, on a bid of 98.80. Following are the bids:

H. R. Bain & Co.	98.80
C. H. Burgess & Co.	98.73
R. A. Daly & Co.	98.53

CAMPBELLTON SCHOOL BONDS

The Royal Securities Corporation has been awarded an issue of $35,000, Campbellton, N.B., five per cent., 20-year school bonds, on a bid of 99, which is equal to a cost basis of 5.08 per cent. Following are the bids:

Royal Securities Corp.	99.00
J. M. Robinson & Sons	98.50
Eastern Securities Co.	98.11
Bell, Gouinlock & Co.	98.03
C. H. Burgess & Co.	97.67

TOWN OF TIMMINS BONDS

An issue of Town of Timmins bonds in two parcels, namely, $25,000, 5½ per cent., 30-instalment, guaranteed by the Province of Ontario, and $114,000, 6, 6½ and 7 per cent., 15-instalment bonds, has been awarded to C. H. Burgess & Company at a price of 104.21, for the first parcel and 102.38 for the second, an average bid of 102.71, or a cost to the town of 5.47 per cent. The bids were:

C. H. Burgess & Co.	102.71
Roberts, Cameron & Co., and H. R. Bain & Co.	102.60
MacKay & MacKay	102.18
McLeod, Young, Weir	101.65
Harris, MacKeen	101.07

GRAND 'MERE BONDS SOLD

An issue of $90,000, Grand 'Mere five per cent., 30-year serial bonds has been awarded to Bray, Caron & Dube, at 99.28, which is equal to a cost basis of 5.06 per cent. The bids were:

Bray, Caron & Dube	99.28
Normand & Halin	98.274
Wood, Gundy & Co.	97.85
Brouse, Mitchell & Co.	97.70
McLeod, Young, Weir & Co.	97.56
Lagneux & Darveau	97.52
Mead & Co.	97.43
Dominion Securities Corp.	96.724
L. G. Beaubien & Co.	96.25
Provincial Bank of Canada	95.92
Versailles, Vidricaire & Boulais	95.06

BRITISH COLUMBIA ISSUE

A syndicate composed of Dillon, Read & Co., New York; Dominion Securities Corporation; A. E. Ames & Co.; Wood, Gundy & Co.; Royal Bank of Canada and the Canadian Bank of Commerce, were the successful bidders for an issue of $8,000,000 British Columbia bonds.

For $2,000,000 two-year four per cent. bonds the Dillon-Read syndicate bid 98.88, yielding 4.59; and for the $6,000,000, 30-year, 4½ per cent. serial bonds they bid 95.85, yielding 4.79, both of which were accepted.

An optional loan of $4,000,000, 30-year, 4½ per cent. sinking fund brought out five bids, the Dillon-Read syndicate bid of 93.55 being highest, but this was not accepted by the provincial treasurer.

Four separate syndicate bids were received for the $2,000,000 issue and three for the $6,000,000 issue.

The price received by the province is the best average price for any previous government security during the year.

BOND MOVEMENTS OF THE WEEK

Week Ending June 28

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Can. Cement	6	1929	5.24	103¼	100	103	101½	...	101¾	101¾	...
Cedar Rapids	5	1953	5.00	99⅛	97	101½	98¾	100	...	100	99
Cons. Rubber	6	1946	5.91	101	95	102	101	101	...	101	...
Dom. Iron	5	1929	....	94	86	92	70½	71¼	70½	71¼	70½
Dom. Coal	5	1940	6.54	90	84	89½	85½	...	85½	86	85½
N. S. Steel	5	1959	8.70	73½	73½	60	60	60	...	60	...
Ontario Steel	6	1943	5.90	..	..	101	100¾	101½	100¾	101	...
Mont. Trams "A"	5	1955	5.54	98¾	92¾	95	92½	..	93	93	92⅞
Quebec Rly.	5	1939	5.64	98	89¾	95	91⅞	95	94¾	95	94½
Rio Janeiro	5	1935	5.64	95½	82	95⅞	92	95	94⅝	95½	..
Sao Paulo	5	1929	6.11	95	91	97	95½	97¼	97	97	..
Wayagamack	6	1951	6.66	98¾	84¼	92½	91¾	92	91¾	92	91¾
War Loan	5	1931	4.65	102.65	101.10	102.40	101.20	101.60	101.45	101.70	101.30
Ditto	5	1937	4.64	104.95	103.80	104.65	103.35	103.90	103.70	103.55	103.45
Victory Loan	5½	1927	4.60	103.15	101.70	101.75	100.65	101.25	101.00	100.80	100.65
Ditto	5½	1933	4.65	107.00	105.10	106.80	104.65	105.05	104.90	105.00	104.85
Ditto	5½	1934	5.00	104.80	103.20	104.10	103.10	103.35	103.25	103.30	103.10
Ditto	5½	1937	4.65	110.00	108.15	109.30	107.35	108.15	107.90	108.00	107.75
Ditto, Renewal	5½	1927	4.85	102.95	100.80	101.95	100.25	100.80	100.65	100.70	100.35
Ditto, Renewal	5½	1932	4.98	104.20	102.60	103.40	102.00	102.85	102.70	102.60	102.50
Ditto, Refund	5	1928	4.75	104.45	100.15	101.30	100.05	100.35	100.20	100.05	......
Ditto, Refund	4½	1940	4.90	97.25	92.00	96.70	95.60	96.00	95.90	95.90	95.70
Ditto, Refund	5	1943	4.84	102.95	101.15	102.20	101.15	101.85	101.75	101.80	101.50
Ditto, Refund	4½	1944	4.81	97.65	96.20	97.15	95.80	96.15	96.00	96.25	95.95
Ditto, Refund	4½	1946	4.80	.....	.....	96.25	95.65	96.05	95.90	96.05	96.00

WOODS COMPANY HAS SUCCESSFUL FIRST HALF YEAR

(Continued from page 1)

burg plant is to be doubled in size. It has become, instead of merely a subsidiary, a steady revenue producing subsidiary.

However, while the Ogdensburg plant has undoubtedly proved a successful enterprise, yet shareholders of the parent company will realize that its earnings will play but a minor part in the revenues of the whole organization.

Flour Milling Affects Co.

Naturally any improvement in the flour milling industry should make itself felt in a greater demand for one branch of the Woods Manufacturing output, namely bags. And while the results so far this year in this branch of the business show an improvement over 1925, yet the improvement would be the more marked should the millers find better business overseas. Incidentally, it is of interest to note that two crop years enter into the annual fiscal year of the company, so that any temporary reverses which the milling industry might experience would hardly show up in the earnings to a great extent even though it is understood that about one half of the company's revenues come from the manufacture of bags. Of course, many other industries are also large buyers of the company's output of bags, so that through diversification its revenues from this source are stabilized.

Five plants are operated in all; at Montreal, Hull, Welland, Toronto and Winnipeg. Roughly half of the revenues come from the manufacture of bags and the remaining half is divided between the output of cottons from the Welland mill and the production of tents, tarpaulins, flags and similar commodities which are made at Hull.

In the manufacture of cottons, the Woods Manufacturing is somewhat more happily situated than the ordinary cotton textile mill, for some 60 per cent. of its production is absorbed by other mills of the company for further manufacture; thus the production finds a ready market and the company finds an enlarged profit.

Earnings Depend on Bags

As the production of bags constitutes such a large proportion of the output, earnings during any year depend chiefly on the sales of this commodity which is such a basic product that it may be said that the earnings will keep pace with the general level of business at large. Of course, like similar organizations, the company has to contend with the price fluctuations of its raw materials, namely jute and cotton. Prices for both move in accordance with the world market, and violent fluctuations naturally affect earnings.

The Welland plant, which is still known as the Empire Cotton Mills, manufactures gray counter cloths, bag cloths and ordinary hose. The Hull plant manufactures lumbermen's and contractors' tents, clothing and supplies, whilst bags are manufactured at the other plants. All the mills and buildings are modern and have been built within the past 15 years.

At the present time no dividends are being paid on the common stock, but regular 7 per cent. dividends are being disbursed to the preferred shareholders. Dividends on the common were initiated 1913; with the exception of 1915 and 1916, these were maintained until the close of 1923; the rate before the dividend was passed was 8 per cent. At the time of peak prices at the close of the war, earnings were sufficient to provide dividends and bonuses on the common stock amounting to as high as 12½ per cent. in one year.

FORTUNE from a salary

Employment as a career, rather than business for himself, is the choice of many a young man to-day. Regular savings from your salary, no matter the size of the salary, may be invested in sound bonds yielding a regular income. Write for our leaflet, "The Gift of Leisure," which tells you briefly the remarkable results obtained from investing by instalments.

JOHNSTON AND WARD
14 King St. East, Toronto
Members { Montreal Stock Exchange / Toronto Stock Exchange

JOINS BOND HOUSE

S. G. Bartlett recently joined the sales organization of McLeod, Young, Weir & Co. He will represent the firm in western Ontario.

Mr. Bartlett was for several years a member of the sales organization of A. E. Ames & Company. For a number of years past he has been a member of the Hamilton investment banking firm of Zimmerman & Malloch.

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

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Adelaide 3486-7-8.
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ASBESTOS MINES, LIMITED.
BLACK L. ASB. & CHROME, LTD.
The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.
Price to yield 7%
Full particulars on request.
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Quebec Railway 5's — 1939
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Wayagamack 6's — 1951
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Montreal Tramways 5's .. 1955
Montreal Public Service 5's — 1942
Windsor Hotel 6½'s — 1943
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6½% BONDS, DUE 1945
The three plants, comprising this system, are now interconnected and thirty-seven communities are being served, with extensions under way to four more from whom franchises were obtained recently.
The Corporation is firmly established in prosperous districts commencing within a few miles of the Island of Montreal, and is on a solid foundation of earnings. We recommend its bonds as combining sound security and an attractive yield.
Price: 99 and interest, yielding about 6.60%
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WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Bond Sales—		Municipal					
Forest Hill	June	H. R. Bain & Co.	5%	1936	$13,398	98.80	5.14
Timmons	June	C. H. Burgess & Co.	5½ to 7%	15 & 30 ins.	139,000	102.71	5.47
Grand 'Mere	June	Bray, Caron & Dube	5%	30-yr. serial	90,000	99.28	5.06
Campbellton, N.B.	June	Royal Securities Corp.	5%	1946	35,000	99.00	5.08
Port Alberni, B.C.	June	R. P. Clark & Co.	5%	1936	10,000	96.16	5.50
St. Laurent R.C. School	June	L. G. Beaubien & Co.	5%	1966	63,000	....	...
Delta, B.C., School	June	Royal Financial Corp.	5%	1936	40,000	98.76	5.16
St. John County	June	Wood, Gundy & Co.	5%	1946	248,500	99.60	5.03
		Provincial					
British Columbia	June	Dillon, Read & Co., and Syndicate	4%	1928	2,000,000	98.88	4.59
British Columbia	June	Dillon, Read & Co., and Syndicate	4½%	1956	6,000,000	95.85	4.79
Quebec	June	First National Bank & Syndicate	4½%	1956	7,500,000	98⅝	4.60
		Corporation					
Canadian Pacific Rly.	June	Union Trust, Pittsburgh, and Syndicate	4½%	1926-38	12,000,000	....	4.53
Bloor Building	June	United Bond Co.	7%	....	650,000	100	7%

Insurance for Buyer and Seller

Beneficiary Clause in Policy Must be Carefully Expressed

On It Depends Control of the Insurance in the Interval as Well as Ultimate Disposal Thereof

By H. J. SIMS, K.C., Before Convention of Life Underwriters' Association.

The fundamental object of life insurance is protection for dependents. You may consider this principle elementary, but please never lose sight of it when canvassing a man. Find out whom he wishes to protect and then word the beneficiary clause accordingly. If you are on the job and know your business you should have no difficulty in the great majority of cases in advising how a policy should be made payable. In my experience over 75 per cent. of all insurance policies are made payable to the insured's wife. It is the other 25 per cent. that I wish to deal with particularly.

Before proceeding further, permit me to impress on you the following salient features of life insurance law concerning beneficiaries which every agent should know and know well:

The three classes, viz., preferred, ordinary and beneficiaries for value.

The preferred class consists of husband, wife and children, grandchildren, father and mother.

A trust is created in favor of a preferred beneficiary. The insurance money is not subject to the control of the assured without the consent of the beneficiary, except to move it about among members of the preferred class by declaration or will. Such money is beyond the control of the insured's creditors and forms no part of his estate, except in the calculation of succession duty. A clause in the policy payable to a preferred beneficiary, reserving to the assured the right to revoke or abridge the interest of a preferred beneficiary in favor of any person not in the preferred class, is not effective. Beneficiaries for value are those who have given valuable consideration and who are stated to be such in the policy or by subsequent declaration. All others are ordinary beneficiaries. A limited interest can be created in favor of a preferred beneficiary followed by a gift to an ordinary beneficiary, or vice versa. Any number of interests can be created, always bearing in mind that once an interest is given to a preferred beneficiary, it cannot be revoked or cut down, except with his consent and subject to the right of the insured to move it about among the preferred class.

Subject to the rights of preferred beneficiaries and beneficiaries for value and assignees for value, a policyholder has absolute control over the contract and may change the beneficiary as often as he cares to do so.

Preserving Control of Policy

Bearing in mind these general principles, permit me to deal with some concrete cases. A man says "Yes, I want my insurance to go to my wife in case of my death, free from the claims of my creditors, but in my lifetime I want to control it." In such a case you can advise him to have the policy made payable to his estate and then suggest his making a declaration in favor of his wife. This declaration can be laid away with the policy and in case of his death it becomes effective. If he wishes to deal with the policy in his lifetime, say borrow on it, assign it as security for a debt, or take the cash surrender value, he may do so without the consent of his wife. If he doesn't deal with it, and dies, his wife takes the money absolutely. The declaration should not be filed with the company. If it is, it becomes operative and the insurance money can only be diverted by a subsequent declaration in favor of someone else in the preferred class, bearing in mind, of course, that the insured may do what he likes with the policy with the consent of his wife.

The assured can also effect the same purpose by giving the proceeds of the policy to his wife by will. He can change his will at any time, but if he dies without doing so, his wife takes the money. The will should not be filed with the company if he wishes to retain absolute control over the policy, because a will dealing with insurance money in the eyes of the law, is a declaration, and once it is filed with the company becomes effective.

Protection Essential

Notwithstanding what I have said, an agent should not advise a man to make a policy payable to his estate unless he has his mind set on the point. It is common knowledge that if a man has unrestricted control over his policy, the object of his insurance, namely, protection for his dependents, would to a large extent be defeated. Many men are prone to speculate, and if they control their policies absolutely, they are apt to use their insurance for perilous ventures. In many cases the end comes all too quickly and the man's dependents are left with nothing.

There is another reason why a policy should be made payable to a preferred beneficiary if it is the intention of the insured to ultimately benefit someone in that class. In case of the death of a preferred beneficiary before the maturity of the contract the statute provides that the insurance money shall go to other preferred beneficiaries unless there is a provision to the contrary in the policy. It is true that the policyholder has the right to name a new beneficiary in such a case, but he often overlooks doing so.

Let me cite you an instance of how the statute operates. A man makes a policy payable to his wife. She dies before the policy matures. He fails to name a new beneficiary. He then dies leaving children. The children take the insurance money. Here is another instance. A man makes a policy payable to his mother. She dies before the maturity of the contract. The insured overlooks naming a new beneficiary. He then dies, leaving a wife and children. They take the insurance money in equal shares.

As you know the law now is that a minor over 15 years of age may insure his own life and has all the powers of an adult in respect to the contract. There should be no difficulty in writing the beneficiary clause where the minor insures his own life and is prepared to pay the premiums himself. A serious mistake is often made where a parent undertakes to insure the life of his child and pay the premiums. The mistake is in having the child described as the insured. A parent has an insurable interest in the life of his child under 25 years of age. The father should apply for the policy and should sign the application, not the child. The child is merely the life insured. The policy is then the property of the father, as it should be, and he can make it payable to whomever he wishes. If, on the other hand, the child is the party insured, and even if the father is made the beneficiary, the child could at any time divert the benefits from his father to anyone else in the preferred class, for instance, to his wife if he should happen to get married.

Formerly where the child was described as the insured the father could not deal with the policy at all until the child reached 21 and then only with his consent.

INSURANCE AND TRUST OFFICERS CO-OPERATE

Functions of the Two Professions Distinct Yet Complementary

"In recent years, the close relationship between life insurance and administration of estates has been felt; and now the members of the one profession are being drawn once more into close co-operation with the other," said Clinton F. Berry, vice-president, Union Trust Company, Detroit, Michigan, addressing the Financial Advertisers' Association at the 22nd annual convention of the Associated Advertising Clubs of the World recently.

"There is, of course, abundant reason for the closest co-operation between an underwriter and a fiduciary agent. Each renders a valuable and a necessary function in caring for those whom a man of responsibility leaves behind him. But, since experience has shown that one can serve with greater effectivness in assisting accumulation, while the other shows superior resourcefulness in protecting what has been amassed, I believe that all thoughtful men will agree with me that the just relationship between them is now appearing; and that each exercising his peculiar function, but in close co-operation with the other, joins in yielding a combined service which is more effective than that which either could render alone. Of course, either could continue to offer aggressive competition to the other as he has done during many past years. The trust officer could advise his clients to invest their savings in securities which would yield them more than the return which life insurance companies pay upon accumulated funds. He could point out to them that by doing this they could make their accumulations, in many instances, supplement and augument the effectiveness of their personal service through investment in some business enterprise with which they would have executive connection. But he would have to tell them also, if he were thoroughly frank, that they were sustaining the hazard of dying before their accumulation might be sufficient for their families' needs—a risk which prudent men will avoid even at the cost of immediate profit. The underwriter, on the other hand, could continue to advise his patrons to leave their accumulations under the management of his company, accepting the earnings which the company would be willing to pay while they lived and providing the same rate of earnings for those who would come after them. But candor would compel him to admit that the average trust company or bank could show a better rate of return and that, whether the earning be better or not, a trustee clothed with discretion could respond with infinitely greater effectiveness to the real needs of a family than any life insurance company could hope to do.

"A recognition of these facts is causing the trust company officer to advise his patrons to accumulate estates through insurance upon their lives and is leading the underwriter to advise his patrons to give their accumulations the greater effectiveness which a trust provides.

"The mere fact that a life insurance trust comes to us in liquid form is a point of very substantial advantage.

"A still greater advantage which this form of fiduciary service offers is that it enables us to create business, as well as to seek it.

"In my opinion, this new field of fiduciary endeavor is the most profitable one that our trust departments have ever touched. It will tremendously augment the estates which it is possible for us to administer; it will bring its assets to us in the most acceptable and profitable form; it will bring us friends and allies among insurance underwriters, whose goodwill is above price; and it will enable us to render a phase of service that yields a greater personal satisfaction, perhaps, than any other form of duty we have ever discharged."

WILLIAM GRAYSON, K.C., PASSES

One of the leaders in the insurance field in Western Canada passed away recently in the person of William Grayson, K. C., of Moose Jaw, Saskatchewan. Mr. Grayson was president of the Sovereign Life Assurance Co. of Canada.

Absolute Safety and a dividend average of over 25%

This is what the shareholders in the thirty-seven leading Canadian and American insurance companies received for the past year. During this period their securities have not only advanced in market value, but the equity behind them has also materially increased.

We specialize in the shares of established insurance companies, and would be glad to place at your disposal our fund of information.

It will pay you to send for a copy of our Booklet, "Insurance Stocks." The facts will surprise you.

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Limited
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Organized 1874
TOTAL BENEFITS
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$87,000,000.00
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THE SMALL INVESTOR
has equal opportunity with the investor of large means of obtaining a profitable return on his money by investing in our Accumulative Bonds. They were devised largely because there are so few high-grade securities available to those of moderate means.
The small sum of $78.12 will purchase an Accumulative Bond for $100 payable at the end of five years.
Our Bonds, along with our deposits, are secured by the Corporation's entire Assets, which amount to $48,281,493.32.
It is well worth your while to investigate the merits of these Accumulative Bonds. They are a particularly attractive medium for the investment of small amounts on which you are prepared to allow the interest to accumulate.
Canada Permanent Mortgage Corporation
14-18 Toronto Street Toronto 2
We have been providing safe investments for small sums since 1855.

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Stock Brokers and Financial Agents
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21 JORDAN STREET - TORONTO

HEARST WAS NOT DIRECTING GENIUS OF MUSIC CONCERN

Mysterious Earl Hampton, New York Broker, Handled Bulk of Business

Jos. X. Hearst, head of the Hearst Music Co., Winnipeg, says he was innocent of attempts to defraud shareholders. He faces charges of theft of $385,000, false pretenses and uttering forged documents. He is now being tried. Hundreds of shareholders who purchased shares in the Hearst Co., lost their total investment, except for dividends, some of them very generous, which they received.

Hearst's claim is that he believed implicitly every item of information given by him to company officers and later entered in books. This information came to him from one, Earl Hampton, New York broker. Hearst produced a contract under which he and Hampton proposed to bring about the amalgamation of all music publishing houses throughout Canada and the U.S. Hampton, under the terms of the agreement, was to handle all cash, make all deposits in a bank of his choosing, arrange for all printing and advertising, and act as sales manager and collector for the entire output of the Hearst Music companies, pending the formal incorporation of the New York company, which was to be brought into existence when the time was opportune. Hampton, witness said, was supposed to be wealthy, to have a large clientele among United States music jobbers, and to be able to handle a very large output of popular songs and sheet music. He was also supposed to have intimate acquaintance with high officers in the Chase National bank, and to be a partner with Franklin H. Gates and a Mr. Wiggins, two officials or directors of that institution, in extensive oil leases in Houston, Texas, according to letters filed by Hearst with the court.

Hampton and Hearst met in Winnipeg in Dec., 1921, to discuss a deal and the contract was consummated. Two dozen letters which passed between the two were presented in court. These letters in most cases related to business transactions, such as deposits in Chase National Bank, New York, payments for sheet music, advertising, etc.

Hearst has not laid eyes on Hampton for some years. He had an appointment to meet him in Chicago, but the New Yorker failed to put in an appearance, nor could he find him later at New York.

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED
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Branches throughout Canada and in London, Eng.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

COUPON SAVINGS 20-PAY LIFE
The Northern is the only Canadian Insurance Company which offers the attractive new policy known as the Coupon Savings 20-Pay Life.
At age of 30, a $5,000 policy costs $185.50 a year. Dividend amounts to $24.75 at beginning of second year and increases substantially every year thereafter. Benefits are $5,000 for natural death, $10,000 for accidental death and $50 a month for total and permanent disability with all future premiums paid by the Company.
Write our Home Office for further information, or see your nearest Northern Life Agent.
The NORTHERN LIFE ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

Are You Ready for To-morrow?
Being ready means that your house is insured against loss by fire, your furniture and belongings against loss by fire or theft, your car against fire, theft or accident, and your business protected against fire and loss of profits by "business interruption" insurance.
You can secure policies from this Company's Agents to protect all your possessions from loss in any form.
The Western Assurance Company of Toronto
Established 1851

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Has in addition to the funds on deposit at Ottawa the total funds of the Company everywhere behind its Canadian liability.
Writing Fire Insurance at Cost. Assets $3,118,764.07.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All policies dividend paying and non-assessable.

A Good Name
—*priceless* • • and therefore jealously upheld

It is a fact well known that the name DODGE BROTHERS is more valuable than the vast and expanding works in which Dodge Brothers product is built.

Dodge Brothers, Inc. and their subsidiaries, have simply kept the faith and implicit public confidence has been their reward.

Year after year the car has continued to mature into a better and better product.

Costly Chrome Vanadium steel was the basic metal employed in the beginning, and it is the basic metal employed today—in larger measure than in any other motor car built.

The first automobile to leave Dodge Brothers Works—a Touring Car—was equipped with an all steel body.

And during the past few years, Dodge Brothers have perfected this superior construction for ALL their motor cars.

Beauty has been added to dependability, comfort and silence to beauty. Endless refinements have been made. Prices have been reduced.

But always in every instance, the quality of every detail has been maintained or improved.

The consistent goodness of the car has attracted a steadily expanding market. Wider markets have permitted a better and better product at lower and lower cost. Dodge Brothers progress has been conservative and logical.

The result is a GOOD NAME, worthy of the public trust it inspires, and too priceless ever to jeopardize.

Sedan $1160—Special Sedan $1225—De Luxe Sedan $1385
f. o. b. Toronto, taxes to be added

DODGE BROTHERS (CANADA) LIMITED
TORONTO, ONTARIO

DODGE BROTHERS
MOTOR CARS
MADE IN CANADA

Current Events in Banking World

MAKE PUNISHMENT FIT CRIME, SAYS DETECTIVE BURNS

Criminals Only Discouraged When They Fear Consequences

At their recent convention at Quebec, the New York State bankers were told by W. J. Burns, head of the William J. Burns Detective Agency, that the only way to stop crime was to make it unprofitable for the criminal; and his ideas were endorsed by Ferdinand Pecora, acting district attorney of New York county. They agreed that the most effective way to deter people from committing crimes was to make them feel that the percentage of chances were all in favor of their getting caught and severely punished.

There is probably no class in the community, says the American Banker, which has a greater reason for interest in the prevention of crime than bankers. As the depositories of the community's liquid funds and the custodians of property, they are naturally one of the chief targets of the raids of the criminals. The American Banker continues:

However, there have been times in the past that many bankers have allowed their general interest in the reduction of crime to slacken, and, being bonded by surety companies, have engaged in practices which have had the result of encouraging crimes against banks. They have in many cases adopted the policy of not prosecuting or pleading for leniency towards a criminal, provided he made restitution of the stolen goods.

The temptation to adopt such a policy is great. An employee or outside criminal, steals a large sum of money. After commission of his theft he has doubts of getting away and enjoying the gains of his crime. He informs the bank or the surety company that if he is let off or assured a light sentence he will restore practically all the funds, otherwise they may catch him and send him to jail, but they will never recover the funds. Well, if they prosecute and refuse the criminal's proposition they may have the satisfaction of seeing the criminal go to jail; but this satisfaction will be paid for by the loss of twenty or thirty thousand dollars. Immediate self-interest may often incline one to say, "We would rather have the money."

However, such a practice simply encourages further thefts. If the criminal succeeds he wins. If it looks likely that he will not get away, by promising restitution he will suffer little for his crime. Under such conditions the chances are in his favor and the incentive to commit crimes of thefts or embezzlement is strengthened.

If bankers desire the reduction of *crime, they* must recognize their collective interest ahead of their own special interests, and, whenever they have crimes committed against them, they must prosecute the criminal, even if such has to be done at pecuniary sacrifices to themselves. It is drops of water that make a sea and it is individual cases that result in general conditions.

As to the discouragement of crime by punishment Attorney Pecora said:

"If it were possible to assure every would-be criminal that he would be detected and punished for his crime, that knowledge would deter 99 out of every 100 criminals from committing crimes. Hence, whatever measures may be enacted to enhance the certainty of detection and puishment for crime are bound to prove salutary and useful in the reduction of crime."

Mr. Pecora said that everyone should take jury service seriously and he criticized juries for rendering too lenient verdicts against criminals. He advocated a change so that a verdict of the jury did not need to be unanimous. The policy of pardoning criminals, if they make restitution, was severely condemned by Mr. Pecora and he stated that any banker pursuing such a policy was simply encouraging crime.

Bank Advertising Should be Continuous, Says Expert

NEW YORK.—"Two of the best known axioms of advertising are that it must be continuous, and the effects of continuous advertising are cumulative," said O. Howard Wolfe, cashier, Philadelphia Girard National Bank, addressing the Financial Advertisers' Association at the 22nd annual convention of the Associated Advertising Clubs of the World.

"When we speak of effective advertising, we ordinarily have in mind the kind of advertising that sells goods, or, in the case of banks, increases the business or circle of friends of your institution. I have in mind another result of advertising, also cumulative in its effect, which is not often referred to; that is the beneficent influence of advertising upon the quality of the service the bank has to render.

"I know from experience that after one has advertised a particular advantage or feature of service, almost subconsciously he is interested in seeing that service not only fully meets the claims the bank has publicly made for it, but if possible is improved upon.

"The basic principles of sound and effective advertising can be learned by the average banker just as he is expected to train himself in the rudiments of commercial law."

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Jne. 25/25	June 24/26
Halifax	$2,351,110	$2,626,094
St. John	2,290,749	2,821,246
Moncton	774,516	916,000
Sherbrooke	659,536	694,318
Quebec	4,240,040	4,583,706
Montreal	76,611,772	99,504,995
Ottawa	6,539,990	6,937,066
Kingston	713,556	787,147
Peterboro	787,108	886,997
Toronto	87,546,087	97,844,002
Hamilton	5,240,483	5,576,801
Brantford	978,586	1,140,726
London	3,053,388	3,138,926
Chatham	....	530,157
Kitchener	939,532	899,757
Sarnia	....	668,604
Windsor	3,595,720	....
Total East	196,327,173	229,556,542

WESTERN CITIES

	Jne. 25/25	June 24/26
Ft. William	668,496	1,114,319
Winnipeg	38,395,450	46,120,647
Brandon	492,456	607,960
Regina	2,949,820	3,789,425
Moose Jaw	1,043,972	1,277,776
Saskatoon	1,389,978	1,910,885
Pr. Albert	289,939	339,736
Lethbridge	475,178	418,961
Calgary	6,543,284	6,796,669
Edmonton	3,592,706	4,394,461
Medicine Hat	247,600	279,763
N. Westminster	618,836	822,791
Vancouver	14,793,412	17,040,014
Victoria	1,846,166	2,202,618
Total, West	73,347,293	87,116,025

Banking Interests Have Assisted Labor Banks

NEW YORK. — The celebration last month of the third anniversary of the founding of the Federation Bank of New York and the increase in the capital stock of this bank from $250,000, with $250,000 surplus, to $750,000 capital stock and $750,000 surplus in October, 1925, has centred a peculiar interest on this most important of New York City labor banks.

Peter J. Brady, president of the bank, in discussing phenomenal growth of the bank and the underlying causes for its success, said:

"Contrary to predictions freely voiced at the time the Federation Bank was founded, the banking interests of New York have offered closest co-operation and expressed the most friendly sentiments. The Federation Bank has endeavored to conduct its business along the lines of conservative policies which have universally met with the approval of both commercial bankers and Federal Reserve officers."

Should Bank Managers "Sign off" at Sixty?

Some Managers Have Successfully Tackled New Work — Officers Say That Nine Out of Ten Favor the Present Pension Schedules

Is the policy of Canadian banks in retiring managers and staff officers at 60 a sound one in the interests of the banks and the public? The question is one about which there is considerable discussion in bank circles. Branch managers who have dropped out in accordance with the pension schedule have frequently turned to other activities and their success has indicated that they could have continued doing good work for the bank. On the other hand bank officers state that these are the exceptions and that the established plan has been amply justified. Nine managers out of ten they say are ready to "sign off.'

Here is a subject on which the views of managers would not only prove interesting but would no doubt prove valuable to the executives. Let us have your opinions—they can be given in confidence if you prefer.—J. W. T.

Has the average bank manager served his term of usefulness to his bank at sixty, or even at 65? It is not difficult to get two answers to this question. The general rule in Canadian banks is that managers and officers have the privilege of "signing off" at sixty or of continuing for another five years when retirement is compulsory. Is it a good policy?

At a little function attended by financial men I encountered a couple of superannuated bank managers who, from their own experiences, were distinctly of the opinion that it had been a mistake for their banks to have them retire. They supported their contention by pointing out the work they were now doing. Both had turned out to be successful salesmen of bonds. One said that he had made more money and had had more fun following his superannuation than he ever had during his banking experience. Nevertheless he expressed certain resentment at being forced to drop out. He argued that he was a more valuable man when he retired, not only by reason of his experience, but by reason of his maturer judgment, than he had ever been before. As to his age, his health is sound and. after all, he points out that "a man is usually only as old as he feels." As regards the pension to which a man is entitled at sixty he thought there would be no reason why this could not be paid and the salary continued as well so long as the manager was capable of holding his position regardless of his age.

Exceptions Prove Rule

But statistics and averages, which are often described as stubborn things, and which are after all usually a pretty dependable guide, indicate that such managers as the man referred to above are the exceptions which prove the rule. The fact that the banks by their separate experiences have arrived at practically the same policy is submitted by bank officers as indicating that that policy is a sound one. Nine out of ten managers, it has been the experience of head office officials with whom I discussed the matter, prefer to retire when the opportunity comes. They have worked hard and feel that they are entitled to relief from the daily banking routine. Also they have for years been paying into a pension fund to provide for the afternoons of their careers and are usually ready to take advantage of it.

As to the argument that the policy involves the loss of the services of men of sound and mature judgment and with wide influence in the community, bank officers point out that this is subject to qualification. A former bank manager on a pension is not a bank officer strictly speaking, but experience has shown that so far as influence and judgment are concerned he continues at the service of the institution with which he is still identified unofficially. Bank managers who have spent years in a community have a standing and influence which is quite valuable to the bank from which they draw their pensions, even though they have no official status. A bank manager may form a business connection or social connection during his tenure of office which brings business to the bank. When he retires he still retains his place in the business community or in the social community, particularly if he has established interests apart from his routine of office, and his influence will still be employed in the interests of the bank.

The Pension Schedule

Another point in favor of compulsory retirement is that it works in with the definite schedule under the pension plan, while there is still another argument in favor of the arrangement in that it makes possible the scheduling of promotions for the younger men. The younger man then feels that he has not to wait to fill a dead man's shoes but that there will be a vacancy created at a certain set time and he can work to fill that vacancy and win a reward for energy and application.

Altogether the consensus of opinion, and the burden of the evidence, would seem to indicate that, while compulsory retirement forces out a few valuable men, the loss is not so great as might be thought at first glance and there are outweighing advantages.—J.W.T.

Staff Gossip

Wallace Madill, of the Bank of Toronto, got a move to Markdale recently. —Witness, Bradford.

* * *

Alfonsus Rellis, who has been on the staff of the Standard Bank for some time, has been transferred to Almonte.—Herald, Campbellford.

* * *

Asheton Taylor, of the Danville branch of the Canadian Bank of Commerce, has been transferred to Lennoxville.—Record, Sherbrooke.

* * *

William Purdy, who has been in the employ of the Canadian Bank of Commerce here for some time past, has been transferred to the branch of that institution in Yarmouth.—Light, Yarmouth.

* * *

R. H. Morris, assistant manager of the Bank of Commerce here for some months past, has been transferred to the Bridgewater branch as manager.—Record, Sydney.

* * *

Arthur Fillmore has left to take over new duties at the main office of the Bank of Nova Scotia in Montreal. Morden Knox succeeds Mr. Fillmore as accountant of the branch here.—Gazette, Picton.

* * *

Alphonse LeBlanc, of the Provincial Bank staff, formerly of this city and later transferred to the branch at St. Joseph's, has again been transferred back to the local branch of the bank.—Times, Moncton.

* * *

The staff of the Bank of Commerce presented the manager, J. H. Eakin, with a pair of silver candlesticks as a token of their regard for him and regret at his departure for the coast. He has been located in Drumheller for six years. —Mail, Drumheller.

Competent Engineering Advice Saves Thousands of Dollars On Investments

WHATEVER investments you are planning, play safe, by consulting the best, unbiased engineering authority on the particular line in which you are interested.

Members of the Association of Consulting Engineers of Canada provide exactly this specialized counsel and investigation service.

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H. G. Acres		Niagara Falls
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R. S. & W. S. Lea	340 *University St.*	Montreal
Harkness, Loudon & Hertzberg	*Confederation Life Bldg.*	Toronto
F. C. Laberge	30 *St. James St.*	Montreal
McDougall, Pease & Friedman	85 *Osborne St.*	Montreal
Monsarrat & Pratley	511 *St. Catherine St. W.*	Montreal
R. A. Ross & Co.	10 *Cathcart St.*	Montreal
J. M. Robertson	*Keefer Building*	Montreal
Arthur Surveyer & Co.	511 *St. Catherine St. W.*	Montreal
W. G. Swan	629 *Birks Building*	Vancouver
Lesslie R. Thomson & Co.	10 *Cathcart St.*	Montreal

Address: 1021 New Birks Bldg., Montreal.

New Issue All of these bonds have been sold. June 24, 1926

$25,000,000
United States of Brazil
6½% External Sinking Fund Gold Bonds of 1926

To be dated April 1, 1926 Due October 1, 1957

Part of these bonds have been withdrawn for sale simultaneously in Europe by Messrs. Mendelssohn & Co., Amsterdam, Nederlandsche Handel Maatschappij, Pierson & Co., R. Mees & Zoonen, Amsterdam, Skandinaviska Kreditaktiebolaget, Stockholms Enskilda Bank, and others.

Authorized and to be presently outstanding $60,000,000. Interest payable April 1 and October 1. Coupon bonds in denominations of $1,000 and $500, registerable as to principal only. Principal and interest payable in United States gold coin of the present standard of weight and fineness in New York City at the office of Dillon, Read & Co. or, at the holder's option, in London in Sterling at par of exchange at the office of Messrs. N. M. Rothschild & Sons, free of all Brazilian taxes, present or future. Non-callable except for the Sinking Fund. The National City Bank of New York, Countersigning Agent.

The total issue is redeemable by maturity through the operation of an accumulative sinking fund which will call bonds by lot, semi-annually, for redemption at par and accrued interest

The Brazilian Government has agreed to make application in due course to list these bonds on the New York Stock Exchange

The following information is contained in a statement furnished by His Excellency Dr. Annibal Freire, Minister of Finance:

These bonds will be the direct obligation of the United States of Brazil, and are issued under authority of Law No. 4625 of December 31, 1922, and Law No. 4984 of December 31, 1925. The total issue of bonds will be specifically secured, in the opinion of counsel, by a first charge on the receipts of the Government from Income Taxes and Taxes on Invoices (Contas Assignadas Duplicatas), by a charge on the Consumption Taxes subject to the charge of the 8% Loan of 1921, and by a charge on Import Duties subject to the charges of the 5% Sterling Loans of 1898 and 1914 and the 8% Loan of 1921. The total revenue derived by the Government from the above sources in 1924 was $117,000,000, and in 1925 $148,373,000. After deducting the indicated prior charges upon a portion of this revenue, which amount to approximately $11,798,400 per annum, there would have remained from the above sources in 1925 the sum of $136,574,600. The service of the issue of $60,000,000 bonds for both interest and sinking fund calls for $4,500,000 per annum.

SINKING FUND

An accumulative sinking fund of 1% per annum, payable semi-annually, will be applied to the redemption of bonds by call by lot at par and accrued interest. The sinking fund will be increased by amounts equal to interest on bonds previously redeemed. This sinking fund is calculated to retire all of the bonds of this issue by maturity.

NATIONAL DEBT

The national funded debt of Brazil on December 31, 1925, was approximately $936,000,000, of which $626,000,000 was external. This represents a per capita debt of approximately $30, as against which the per capita national wealth is estimated at approximately $530. The Government has undertaken to resume in 1927 the sinking funds, on certain Sterling Loans, which have been in suspense under the terms of the Funding Agreement of 1914. The proceeds of the bonds are to be applied in reduction of Treasury obligations including floating debt.

(All conversions above of paper milreis into dollars are at the rate of 14.50 cents per milreis. Other conversions are at par)

The statements quoted above, received partly by cable, have been accepted by us as accurate but are in no event to be construed as representations by us.

We offer these bonds for delivery when, as and if issued and accepted by us and subject to the approval of all legal matters by our counsel, Messrs. Cotton & Franklin, New York, and Dr. Alfredo Bernardes da Silva, of Rio de Janeiro. It is expected that Temporary Bonds, or Interim Receipts of Dillon, Read & Co., will be ready for delivery on or about July 8, 1926.

Price 90½ and Interest. To Yield over 7.25% to maturity

The above is subject to a circular, containing further information, which may be obtained upon request.

Dillon, Read & Co.

The National City Company Lee, Higginson & Co. Blair & Co., Inc.

White, Weld & Co. The First National Corporation of Boston

Continental and Commercial Trust and Savings Bank

Illinois Merchants Trust Company The Union Trust Company Cleveland

Kissel, Kinnicutt & Co. Ladenburg, Thalmann & Co.

Hemphill, Noyes & Co. Paine, Webber & Co.

Cassatt & Co. Edward B. Smith & Co. Janney & Co.

Dominion Securities Corporation, Ltd.

Investment History of the C.P.R.

Company's Investment in Consolidated Smelters Alone Shows It Enormous Profit

RIELLE THOMSON, Eastern Editor, The Financial Post—Ninth Article.

WE SHALL now consider, briefly, the chief investments of C.P.R. The more important of these holdings are the shares of Consolidated Smelters, the Duluth, South Shore and Atlantic Railway, and the Minneapolis, St. Paul and Sault Ste. Marie Railway; in both the latter the Canadian Pacific Railway owns 51 per cent. of the stock. The Spokane International Railway Company is also a controlled line, which acts as a feeder for the road.

The most outstanding feature of this exhibit is the fact that the market valuation of "Smelters" stock is in the neighborhood of $46,000,000; the appreciation in this investment can be seen, when it is recalled that the C.P.R. obtained 53,968 shares of this stock at $50, and it is said that the remaining 177,445 shares were purchased at below $30. To-day, "Smelters" market price seems stabilized at around $200.

The U.S. Railway Holdings

The Duluth, South Shore and Atlantic Railway operates between Duluth and Sault Ste. Marie and was acquired to protect the company's investment in the Minneapolis, St. Paul and Sault Ste. Marie line. It pays no dividends on either common or preferred and there seems little chance of much being made out of this subsidiary for the present. Eventually something may be made of the mines located in the territory served by this road.

The "Soo" line is in a different category. This road in turn controls the Wisconsin Central Railway and both lines are valuable properties, which, whilst during recent years have yielded little to the parent company, yet have reached a point where the tide seems to have turned, and last year the "Soo" line had earnings applicable to its common stock. Eventually, this road may be in a position to pay off the arrears on its preferred dividends. During recent years it has made periodic disbursements to both preferred and common stockholders.

However, the most important thing about the Minneapolis, St. Paul and Sault Ste. Marie Railway is the fact that it prevents American railroads obtaining the benefit of business originated by the C.P.R.; business originating in the west moving eastward and business originating in Chicago moving to the Canadian north-west.

The Dominion Express Company is, of course, entirely owned by the railway; it is a paying property.

It will be seen from the special income account that the company's earnings from miscellaneous investments totalled $1,755,003 last year, which represents about 3.7 per cent. on the par value of the investment, or 7.1 per cent. on the cost. Moreover, it can be taken for granted that the return on these investments will show a decided increase in view of the bettered earnings of the "Soo" line and the extraordinary increase in earnings of Consolidated Smelters last year.

C. P. R.'s Investments

Miscellaneous Investments Carried in Company's Balance Sheet

	Par Value
Coeur d'Alene & Pend d'Oreille Ry. 1st Mortgage Bonds	$ 47,000
Consolidated Mining & Smelting Co. Stock, 231,413 shares ($2,698,400 Bonds converted into 53,968 shares at $50).	5,785,325
Cambridge Collieries Company, 1st Mortgage Refunding Bonds	250,000
Dominion Express Company Stock	5,000,000
Duluth, South Shore & Altantic Ry. Ordinary Stock	6,100,000
Duluth, South Shore & Atlantic Ry. Preferred Stock	5,100,000
Hull Electric Company	1,067,602
Minneapolis, St. Paul & Sault Ste. Marie Ry. Ordinary Stock	12,723,500
Minneapolis, St. Paul & Sault Ste. Marie Ry. Preferred Stock	6,361,800
Pennsylvania-Ontario Transportation Co. Stock	187,500
Quebec Salvage & Wrecking Company Stock	150,000
Spokane International Railway Company Stock	3,941,800
Toronto, Hamilton & Buffalo Ry. Co. Consolidated Mtge. Bonds	1,000,000
West Kootenay Power & Light Company Preferred Stock	55,000
Cost—$23,677,035.76.	$47,769,527

The Montreal Protestant Central School Board

$1,400,000.00 of 5% Serial Bonds Maturing From May 1st, 1927, to May 1st, 1956

PUBLIC NOTICE is hereby given that sealed tenders addressed to the undersigned Secretary-Treasurer of The Montreal Protestant Central School Board, at its office at 32 Belmont Street, Montreal, will be received until twelve o'clock noon of Wednesday, the Fourteenth day of July, 1926, for the purchase of One million, four hundred thousand dollars ($1,400,000.00) of bonds of The Montreal Protestant Central School Board, bearing interest at the rate of five per cent. (5%) per annum, dated May 1st, 1926, and redeemable serially as follows:

May 1st, 1927/30	$20,000.00	each year
May 1st, 1931/37	30,000.00	" "
May 1st, 1938/42	40,000.00	" "
May 1st, 1943/46	50,000.00	" "
May 1st, 1947/50	60,000.00	" "
May 1st, 1951/52	70,000.00	" "
May 1st, 1953/55	80,000.00	" "
May 1st, 1956	90,000.00	

This loan is authorized by an Order-in-Council approved by the Lieutenant-Governor on June 11th, 1926, upon the report of the Minister of Municipal Affairs and recommendation of the Superintendent of Education.

The bonds shall be issued in denominations of One thousand dollars ($1,000.00) each.

The interest shall be payable semi-annually on the first days of May and November in each year. The principal and interest shall be payable at the St. Peter and St. James Streets Branch of the Bank of Montreal in the City of Montreal, or at the Bank of Montreal in the City of Toronto, at the option of the holders of the bonds or coupons.

Every tender must be accompanied by an accepted cheque for an amount equal to one per cent. (1%) of the loan. After the examination of the tenders, the cheque deposited by every unsuccessful tenderer shall be returned to him forthwith, the cheque of the tenderer whose tender is accepted shall be returned to him after the execution of his contract.

Every tender must state whether or not the price offered includes the interest accrued on the bonds up to the time of delivery.

The Montreal Protestant Central School Board reserves the right to reject any or all tenders or to accept in whole or in part any of the tenders.

The tenders will be opened at a public meeting of The Montreal Protestant Central School Board, at the office of the Board at 32 Belmont Street, Montreal, on Wednesday, the Fourteenth day of July, at two o'clock in the afternoon.

W. E. DUNTON,
Secretary-Treasurer, The Montreal Protestant Central School Board.

Montreal, June 22nd, 1926.

The Foreign Exchanges

Conducted by S. J ZACKS

Trading in the foreign exchanges continues slight, with movements fairly steady. Canadian funds hold up firmly at 3/16 per cent. premium, which warrants shipments of gold to Canada. Canada's favorable trade balance, with bills for wheat exports largely in evidence, is a factor making for the heavy premiums on Canadian funds.

Considerable surprise is expressed at the continued strength of sterling. The close on cables on Tuesday was $4.85⅞-$4.86-1/32. The greater part of the recent Brazil loans has found its way to London. Brazil has had to use her funds in England, and some offer this as a contributing factor toward sterling's strength. Futures have been selling at a substantial discount. Disastrous effects from the coal strike are most noticeable in the iron and steel industries, though tin plate, pottery and shipbuilding industries, which use great quantities of coal, are also heavy sufferers. British production of pig iron was only 89,000 tons; as against 539,000 tons in April, and a 1925 monthly average of 520,000. The showing of steel in May was even worse. At the end of May only 23 furnaces were in blast, as against 147 at the end of April.

Figures for merchant tonnage under construction and foreign trade are equally depressing, while the number of unemployed is about 1,600,000, as against 1,100,000 on May 1. Notwithstanding these gloomy features, the markets are booming and sterling holds at or above par. Lower money rates are anticipated in London and speculative forces look forward to a decline in sterling.

The incoming of Caillaux, who is a strong man, has had a steadying effect on the franc. There are many, however, who still doubt Caillaux's ability to rescue the franc, and it becomes more apparent that the situation is perhaps more a political one than even an economic one. In some quarters it is rumored that Poincare will yet be dictator. Internally France has shown a slight economic improvement. There has been a slight decrease in the total of French production, but the more important basic industries, such as coal, steel, potash, and silk, showed notable increases. After five months of unfavorable trade balances, there was a favorable balance of 7,689,000,000 francs for May.

Reports also indicate that the Bank of France will be forced to co-operate with the finance minister in his stabilization schemes.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
June 24	11-64	11-64	1-64	1-32
June 25	11-64	11-64	1-64	1-64
June 26	11-64	3-16	1-64	1-32
June 28	11-64	3-16	1-64	1-32
June 29	11-64	3-16	1-32	1-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
June 24	4.86⅜	2.92	3.63
June 25	4.86⅞	2.88½	3.63¼
June 26	4.86⅝	2.90¾	3.62¾
June 28	4.86⅜	2.89¾	3.62¾
June 29	4.86⅞	2.87½	3.61¾

FOREIGN EXCHANGE

Par		Close June 23	Close June 29
19.30	Italian	3.62	3.62
23.82	German	23.78	23.79
32.45	Brazil	15.83	15.78
19.30	Belgium	2.86	2.84
94.85	Japan	46.84½	46.84

WOOL AND PRINTING PROSPEROUS IN STATES

Exports to Canada Greatly Increased, While Business Here is Depressed

News as it comes from four cities:

PHILADELPHIA. — Manufacturing industries in Pennsylvania and New Jersey report a decline in employment and wage payments from April to May, according to a statement issued by the Federal Reserve Bank. It is noted in the report, however, that several industries advanced during the past month, among them being woollen and worsted mills and printing and publishing plants.

WASHINGTON. — While Canada was increasing her textile imports more than $19,000,000 to a total of $184,762,000 during the fiscal year ended with March, the United States displaced the United Kingdom as Canada's chief seller of these products. This country, the Commerce Department announced, supplied 42.8 per cent. of the Canadian imports of textile fibres and manufactured products as compared with 38.7 per cent. for the same period last year, while the United Kingdom dropped from 43.6 per cent. to 38 per cent.

TORONTO. — W. S. Dobbs, chief of the Government Employment Bureau, says there are many printers out of work in Canada.

OTTAWA.—The attention of the government has been specially called to the flooding of Canada by U.S. Sunday newspapers and magazines filled with advertising of U. S. merchants and manufacturers. These come in free of duty, free of all sales taxes, and are carried free in the Canadian mails. The country is being combed for subscriptions at any price, and not only the merchants and manufacturers, but the trade unions are now complaining of unemployment in Canada as a result. The explanation is the fight going on among U.S. publishers in the U.S. for circulation and advertising. It started between the McCormicks, owners of The Tribune, Chicago, and the Curtis Co., Philadelphia. A five-cent weekly, "Liberty," started by the former, has been making serious inroads on the "Saturday Evening Post" leadership.

Wool and paper are two natural products in which Canada excels. We send our raw material over the border to be manufactured by our citizens there and then to be sent back to us for consumption.

Tabloid History of Coal and Steel Industry in Nova Scotia

How Company After Company Joined to Form Mighty "Besco" Organization

1827 The General Mining Association starts the coal mining industry in Nova Scotia by opening up a coal mine at Stellarton. Its far-seeing officers put aside £1,000 as an experimental fund to test out the possibilities of iron-making, but the experiment proves a failure.

1872 The Nova Scotia Forge Company is formed with a capital of $4,000, and enters the steel business in a small way at Trenton. Raw materials consist of scrap steel, etc. No steel is made as yet.

1879 The National Policy of Sir John A. Macdonald awakens interest in the Canadian iron and steel industry.

1882 Owners and directors of Nova Scotia Forge Company decide to branch out. They organize, as a separate company, the Nova Scotia Steel Company, which begins to import pig iron and manufacture it into steel for the Nova Scotia Forge Company.

Later the companies amalgamate as the Nova Scotia Steel and Forge Company.

1891 The men behind the Nova Scotia Steel and Forge Company decide to make pig iron from imported ores. They organize the New Glasgow Coal, Iron and Railroad Company with a capital of $1,000,000. They build furnaces at New Glasgow and commence to make pig iron for their steel plant.

1894 New Glasgow Coal, Iron and Railroad Company buys iron ore deposit at Bell Island, Newfoundland.

1895 Another merger. Nova Scotia Steel and Forge Company merges with the New Glasgow Coal, Iron and Railroad Company and we have the Nova Scotia Steel Company.

1900 Still another merger. The Nova Scotia Steel Company buys out the General Mining Association, which is now chiefly concentrated at and around Sydney Mines, and so the Nova Scotia Steel and Coal Company is formed.

1901 The Nova Scotia Steel and Coal Company decides to build a complete steel-making plant at Sydney Mines. It does so, and, in time, enters every profitable branch of the steel trade. Company becomes a by-word in Canadian finance and, under able and aggressive management, it develops into the greatest industrial organism in the country.

1920 Nova Scotia Steel and Coal Corporation becomes part of the British Empire Steel Corporation.

In the meantime:

1893 Henry M. Whitney, Boston promoter, forms the Dominion Coal Company to exploit valuable coal deposits in Cape Breton, Nova Scotia. Revolutionizes the coal trade of Canada by shipping coal up the St. Lawrence and to New England States.

He finds that the New England market is uncertain and conceives the idea of establishing a steel plant at Sydney to provide a steady market for his coal. He buys a big ore deposit at Wabana from the Nova Scotia Steel Company; finds the limestone for fluxing purposes close at hand and puts up the steel plant.

1901 The steel plant is finished, and is called the Dominion Iron and Steel Company. It is a fine steel plant, but has cost a lot of money. Whitney and his general manager, Moxham, have spent money like water, and the plant costs about $7,000,000 more than it sould have cost. There are various financial difficulties over a term of years. J. H. Plummer becomes head of the Dominion Iron and Steel Company, while Dominion Coal passes into the control of James Ross.

The companies, being separate entities, begin to fight. Dominion Coal Company sends inferior coal to the other company and the other company cancels the contract.

Law suit. Sensations galore as James Ross, J. H. Plummer, L. J. Forget, Sir Henry Pellatt, E. R. Wood, Frederick Nicholls, Frank P. Jones, and a galaxy of such financial brilliancy, shines in battle. Lawyers wax fat; newspapers fill columns; men make or unmake their reputations.

1907 The law suit ends. Dominion Iron and Steel wins out. Gets judgment for about $2,750,000.

While the law suit is in progress, each side tries to buy enough stock of the other to obtain control. Ross plunges millions in stock market without succeeding in obtaining control of both companies.

1910 Merger. Dominion Coal Corporation and Dominion Iron and Steel Corporation are bought out by Dominion Steel Corporation, new company. Each retains its identity as an operating company, but Dominion Steel Corporation controls both.

1920 All three companies join with Nova Scotia Steel and Coal and Halifax Shipyards in British Empire Steel Corporation merger. Most of their outstanding shares are exchanged, but enough remain outstanding to enable each company to remain a separate corporation within the larger one.

WANTED—An opportunity as Sales Executive. A Canadian, age 34, with good education—personality and ability. Thoroughly familiar with conditions in Western Canada. Experienced in organizing and training a sales force. Residing in Ont., but would be willing to move. This is a splendid opportunity to get in touch with a practical salesman who is capable of building up a producing sales force.
Box 222, Financial Post, Toronto.

THE STEEL COMPANY OF CANADA LIMITED

PREFERENCE DIVIDEND No. 60

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference shares of the Company has been declared for the quarter ending June 30th, 1926.

ORDINARY DIVIDEND No. 38

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending June 30th, 1926.

The above dividends are payable August 2nd, 1926, to shareholders of record at close of business July 7th, 1926.

By order of the Board,
H. S. ALEXANDER,
Secretary.
Hamilton, Ontario,
June 28th, 1926.

CAREFREE HOLIDAYS

Your holidays will be more enjoyable and more beneficial if there are not any misgivings about the safety of securities and valuables in your unprotected home.

Assure their protection by placing them in a safety deposit box in our

Modern Safety Deposit Vault

Latest safety devices. Up-to-date facilities. Moderate rentals.

THE CANADA PERMANENT TRUST Co.
Paid-up Capital One Million Dollars
Toronto Street, Toronto
Manager, Ontario Branch - A. E. Hessin 11

International Paper Company

New York, May 26th, 1926.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7 per cent. Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6 per cent. Preferred Stock of this Company, for the current quarter, payable July 15th, 1926, to holders of record at the close of business July 2nd, 1926. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

Canadian Paperboard Company, Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) for the quarter ending June 30, 1926, has been declared upon the 7% PREFERRED STOCK of the Company, payable July 1, 1926, to shareholders of record June 25, 1926.

By order of the Board,
CHAS. E. WHITTEN,
Secretary.
Montreal, June 19, 1926.

THE MUSKOKA LAKES NAVIGATION & HOTEL CO. LTD.

(Royal Muskoka Hotel)
DIVIDEND NOTICE

Notice is hereby given that a dividend of 6% and a bonus of 1% has been declared on the Capital Stock of the Company for the year ending 31st December, 1925. Payable 1st of August, 1926, to Shareholders of record at the close of business July 1st, 1926.

By order of the Board.
W. F. WASLEY,
Manager and Treasurer.
Gravenhurst, June 24th, 1926.

Western Assurance Company

DIVIDEND ON PREFERENCE STOCK

NOTICE is hereby given that a dividend at the rate of twelve per cent. per annum for the period ending 30th June, 1926, has been declared upon the PREFERENCE STOCK of this Company and same will be payable at the offices of the Company in Toronto on and after the 15th day of July, 1926, to shareholders of record at the close of business on the 30th day of June, 1926.

The Transfer Books will be closed from the 30th day of June, 1926, to the 15th day of July, 1926, both days inclusive.

By order of the Board,
G. STUBINGTON,
Secretary.
Toronto, June 14th, 1926.

Western Assurance Company

DIVIDEND ON COMMON STOCK

NOTICE is hereby given that a dividend at the rate of ten per cent. per annum, for the period ending 30th June, 1926, has been declared upon the COMMON STOCK of this Company and same will be payable at the offices of the Company in Toronto on and after the 15th day of July, 1926, to shareholders of record at the close of business on the 30th day of June, 1926.

The Transfer Books will be closed from the 30th day of June, 1926, to the 15th day of July, 1926, both days inclusive.

By order of the Board,
G. STUBINGTON,
Secretary.
Toronto, June 14th, 1926.

The proprietors of Canadian Patent No. 237,564, for "Dyeing Machine" are desirous of entering into arrangements for the Working of this Patent by way of license or outright sale of the Patent Rights. All replies should be addressed to The Premium Patent Dyeing Machine Co., Eccleshill, Bradford, England.

Ontario Chartered Accountant, graduate 1924, at present employed on staff of Toronto firm, would consider position, holding opportunity for advancement, with mercantile or financial company.
Apply Box 224, Financial Post, Toronto, Ont.

IF

YOU HAVE A PUBLISHING PROPERTY WHICH YOU WOULD SELL TO A RELIABLE PARTY AND WILL SEND FULL PARTICULARS IT WOULD BE TREATED AS STRICTLY CONFIDENTIAL.

Box 218
FINANCIAL POST
Toronto, Ont.

Western Grocers Limited

Notice of Dividend

A dividend of one and three-quarters per cent. (1¾%) on the new Preference Stock of Western Grocers Limited has been declared for the quarter ending June 30th, 1926, payable July 25th, 1926, to shareholders of record July 10th, 1926.

By order of the Board.
W. P. RILEY,
President.
Winnipeg, June 23rd, 1926.

Howard Smith Paper Mills Limited

DIVIDEND NOTICE
on
PREFERRED STOCK

Notice is hereby given that a Dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 30th day of June, 1926, payable on the 12th day of July, 1926, to Shareholders of record at the close of business on the 30th day of June, 1926.

By Order of the Board,
E. HOWARD SMITH, Jr.,
Secretary.
Montreal, June 28, 1926.

HIGH GRADE EXECUTIVE

Executive with wide and practical knowledge of Administration, Merchandising, General and Cost Accounting, available shortly.

Is especially qualified to fill position of Comptroller of large Merchandising concern. Successful record in reorganization work.

Primarily interested in finding a real job offering a future.

Credentials of a high order.

Box 220, FINANCIAL POST, Toronto, Ont.

WANTED

A
Small City Daily
A
General Publication
A
Business Paper
or
A Group of Publications
By a Responsible Party.

Correspondence Will Be Treated as Strictly Confidential.

Box 216, FINANCIAL POST, Toronto, Ont.

The International Nickel Co.

A quarterly dividend of one and one-half per cent. on the Preferred Stock has been declared this day, payable August 2, 1926, to the Preferred Stockholders of Record at the close of business, July 12, 1926.

JAMES L. ASHLEY, Secy. & Treas.
New York, June 28, 1926.

SHARES FOR SALE

The undersigned invite tenders for the purchase of thirty shares of the Great West Felt Company Limited, Elmira, Ontario.

All tenders should be in writing and should be in the hands of the undersigned not later than July 15th, 1926. The highest or any tender not necessarily accepted.

THE TORONTO GENERAL TRUSTS CORPORATION,
253 Bay St., Toronto 2.
Toronto, June 30th, 1926.